

ECONOMIC SURVEY OF ASIA AND THE FAR EAST 1952

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NOTICE

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DEPARTMENT OF ECONOMIC AFFAIRS

ECONOMIC SURVEY OF ASIA AND THE FAR EAST 1952

Also issued as Vol. III, No. 3 of the ECONOMIC BULLETIN FOR ASIA AND THE FAR EAST.

Prepared by the

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ECONOMIC COMMISSION FOR ASIA AND THE FAR EAST

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PREFATORY NOTE

The Economic Survey of Asia and the Far East 1952 is the sixth in a series of annual economic reports prepared by the Research and Statistics Division of the Secretariat of the Economic Commission for Asia and the Far East. This report, together with the quarterly Economic Bulletin for Asia and the Far East, are intended to serve the needs of the Commission and to help in the task of reporting on world economic conditions which the Economic and Social Council of the United Nations has entrusted to the Department of Economic Affairs.

The Survey is published on the responsibility of the Secretariat and the views expressed in it should not be attributed to the Commission or to its member Governments.

The Commission at its eighth session felt that it would be valuable for future sessions of the Commission to open with a discussion on the economic situation of the region; such discussion to be based on the most recent Survey. In accordance with the above view of the Commission, the date of publication of the present Survey has been brought forward to February instead of August. In the meantime, a provisional edition in English and French (not including the Introduction) was distributed to Governments on 15 December 1952 for the ninth session of the Commission at the beginning of February.

The present Survey, while following more or less the same pattern of treatment as in earlier editions, is however confined mainly to the developments during the first half of the year, though subsequent developments have been noted wherever data are available. Because of the change in the date of publication, the present Survey is also being issued as Volume 3, No. 3, of the Economic Bulletin for Asia and the Far East. The statistical series and trade agreements as regularly published in the Bulletin are given at the end of this Survey and will be continued in future numbers of the Bulletin.



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ECONOMIC SURVEY

OF

ASIA AND THE FAR EAST 1952

INTRODUCTION

Economic developments in the ECAFE region were dominated during 1952 by strongly conflicting tendencies. On the one hand, this Survey gives ample evidence of an advance in the physical volume of production if one takes the region as a whole. Output of foodstuffs was somewhat higher in 1951/52 than in the preceding year, inspite of the 1951 drought in important areas of India, and there is reason to believe that this increase will continue in 1952/53 under the stimulus of higher prices and of intensified development in the field of food production. Similarly the production of raw materials has expanded, though there has been an incipient decline in the case of a few commodities (particularly rubber). Industrial expansion made headway, helped by the provision of new equipment and by more ample supplies of basic materials. True, this advance was uneven and there were signs of a slowing down of the pace in two of the main centres of manufacturing (Japan and India). Yet, as far as physical output is concerned, on balance the factors making for growth have predominated. They were supported by the continuing inflow of foreign aid funds and loans, and by technical assistance.

On the other hand, depressive influences originating in foreign trade have had a retarding effect in the recent period. Since the spring of 1951 there has been a decline in demand for the principal export commodities of most countries of the region. The consequent drop in export prices (which on the whole was more significant than the fall in the volume of exports) made deep inroads into export earnings and introduced a contractionist element of varying strength into the economy of many countries.

Two main developments converged to bring about this crisis in exports. The one was the collapse of the raw material boom of 1950-51, the other the world recession in textiles. Both were part of a world-wide inventory cycle which affected the primary producers of the area (except the rice exporters) as well as the industrial countries. The mainland of China, however, was not exposed to this disturbance in international markets and there has been a large expansion of economic activity in that country.

Owing chiefly to the setback in exports, the increase in physical output was unevenly distributed among countries and in some countries was not associated with a corresponding increase in real income. One of the outstanding facts in the period under review was the sharp worsening in the terms of trade of all but the rice surplus countries. In consequence, the region's productive effort for export now gives a much lower return in terms of imported goods and services than the same effort gave a year or two ago. This change was part of the process of adjustment from the abnormal Korean war boom, but it is worth noting that in some ECAFE countries the terms of trade in mid-1952 dropped below the pre-Korean war level. Countries that are heavily dependent both on raw material exports and on food imports have suffered the greatest loss because of the scissor movement of falling prices of exports and rising prices of imports. In some of these countries real income has fallen, although the physical volume of production has been well maintained or has

The fall of export receipts has affected the relationship between supply and demand in domestic markets of the region. During 1951 and for the greater part of 1952 industries serving home markets generally turned out more goods, and in some cases there has also been an increase in the volume of imports, at least during part of the period. Home supplies therefore generally expanded. But as money income from exports declined, buying power did not keep pace with the increase in home supplies. The liquidation of commodity stocks, which occurred when prices and price expectations took a downward turn in international markets, accentuated this change, particularly in India where, moreover, monetary policy seems to have acted strongly as a check on investment in inventories. In consequence, and as a result also of other influences, inflationary pressures were gradually neutralised and finally gave way to a tendency for prices to weaken. Thus there was a general turn towards deflation, except in the war areas and in the rice surplus countries. It is true that the dividing line between inflation and deflation became rather blurred by strong sectional price increases, especially in the food deficit countries where import prices have risen. Yet this very increase in import prices relative to money income has tended to reduce effective demand, except to the extent that subsidies were paid to offset the higher cost of imports.

Two financial aspects of the recent development are worth noting. The one is the loss in revenues which governments have begun to suffer since the export boom collapsed. In spite of the efforts of governments to tap new sources of income and to prune expenditures (other than on defence and development) the tendency in many countries has been for revenues to fall faster than could be made up by such counter measures. At the same time there has been a decline in foreign exchange reserves, and in some cases gains in reserves, which were made during the boom, have been practically wiped out. These changes were very rapid, and testify to the great instability which has characterised the payment position of the region, particularly of countries heavily dependent on the export of a few commodities.

The vulnerability of these countries to international economic disturbances is, of course, an aspect of underdevelopment, but even Japan is now faced with a problem of re-development—or, at any rate, with a large problem of industrial adjustment—in view of the fact that a high proportion of its exports (textiles and other light goods) is no longer in the main stream of international demand, and that many of its heavy industries are producing at relatively high costs.

On account of the trade recession, the financing of imports has again become an acute problem. From the outbreak of the Korean war until well into 1951 the limits on importation had been mainly physical. Most primary producing countries had rapidly gained foreign exchange, a large part of which they could usefully have spent on goods essential to economic development. In some cases, they found that these goods were difficult to obtain; in other cases, development plans were not ready, and there were deficiencies in economic organization which put a relatively low ceiling on what they could absorb. In any event, foreign exchange was not then the most important limiting factor. The situation has now changed with the decline in export earnings, and what calls for emphasis is that at least a part of this decline has been due to factors which are likely to have a certain degree of permanency. For one thing, the decline reflects to no small extent the subsiding of the abnormal demands which during the Korean-war

boom had pushed raw material prices to quite untenable levels. At the peak prices were far beyond anything needed to induce expansion, and were quite out of line with basic scarcities judged by the requirements of current consumption in industry.

Perhaps equally important has been the gradual growth in the world supply of raw materials, a factor which may assume increasing significance in the future as a restraint on prices. It will be recalled that after the war the world was confronted with an acute shortage of food and raw materials. While world manufacturing had expanded (because of the increase in the United States industrial production), the output of primary products had lagged, partly because of the destructive effects of the war and partly because of the virtual cessation during the 'thirties of foreign investment in primary producing countries. As a result, the prices of most primary products had risen in terms of manufactures, if one compares, say, the second half of the 'forties with an average for the 'thirties. Now in recent years there has been an increasing number of commodities, notably industrial materials, where the output-stimulating effect of high prices has begun to make itself felt. By 1951, when demand took a sudden downturn, the world supply of raw materials had increased quite substantially. It had increased partly through the development of new or substitute materials in industrial countries, a phenomenon of long standing, but of particular importance to various producers in the ECAFE region to whom it meant a reduction in the demand for their products. The price decline in international markets since 1951 does not seem to have arrested this tendency. There is some evidence of a change in the composition of primary production, with expansion continuing in the case of many commodities -not only food-the prices of which are still attractive to producing countries. Moreover the present supply potential for some commodities is larger than actual output. It is significant that the recent advance of United States industrial activity, which resulted in a rise in demand for many commodities, was associated in the second half of 1952 with a continued weakness in the quotations of a number of basic raw materials. This indicates that factors on the supply side have become a potent influence and that output can now match at least moderate increases in demand without the stimulus of higher prices. Naturally, this does not apply to every single commodity; it applies as yet less to food than to other primary goods, and it will hardly hold should there occur large and persistent increases in demand.

In the raw material boom of 1950-51 it was prices more than sales volumes that pushed up the export receipts of the countries of the ECAFE region. The benefits from these price gains were rather dubious; the rocketing of prices, followed as it was by an almost equally rapid decline, became a source of instability which did much damage, though in the case of at least one commodity (tin) recent agreements have introduced an element of stability. Signs have appeared towards the end of 1952 that the inventory cycle which was started off by the Korean war has worked itself out, and it seems that consumer purchases and industrial demands are now more closely related to current requirements than they were during the boom and in the period of inventory liquidation that followed. World industry which earlier in the year had suffered a check, particularly in the consumption trades, is expanding again, and if the upturn in United States production and imports continues, a new general advance may follow. Primary producing countries, as a group, will gain from this expansion, but it may well be that the price-restraining influences mentioned above will confine these gains within narrower limits than in the recent past. In the meantime import requirements of the developing countries are growing, and they are likely to press heavily against availabilities of foreign exchange. The implication is that consumption and development will compete strongly for import-finance, whereas in the past, for a short period, competition was mainly for what was physically available. In the one case as in the other the problem is one of deciding between different claims on resources, but the size of the foreign exchange reserves and of current export earnings becomes an especially important element in the decision when external finance is the limiting factor. The programming of expenditures on imports, therefore, is crucial in development planning.



SYMBOLS EMPLOYED

The following symbols have been used throughout.

*=average of six to eleven months.

=average of end-of-quarter figures.

‡=12 months beginning April of the year stated.

†=12 months ending September of the year stated.

s=end of period.

Mn=million.

.. = not available.
— = nil or negligible.

Figures in italics are provisional.

In referring to combinations of years, the use of an oblique stroke, e.g. 1951/52, signifies a twelvemonth period (say from 1 July 1951 to 30 June 1952). The use of a hyphen, e.g., 1951-52, signifies the full period of calendar years covered (including the end years indicated) as either an average or a total, as specified.

Unless otherwise stated, the standard unit of weight used throughout is the metric ton.

The following symbols are used to represent the abbreviations of national currencies in Asia and the Far East:

HK\$=Hong Kong dollar

K. =Kyat (Burma)

M\$ = Malayan dollar (Federation of Malaya, Singapore, North Borneo, Brunei and Sarawak)

NT\$ = New Taiwan dollar

P. = Peso (the Philippines)

Pr. = Piastre (Cambodia, Laos and Viet-Nam)

Rp. = Rupiah (Indonesia)

Rs. = Rupees (Ceylon, India and Pakistan)

W. = Won (Republic of Korea)

Y. = Yen (Japan)

The term Indochina is used in a geographic sense to cover the Customs Union of Cambodia, Laos and Viet-Nam.

The term Malaya includes the Federation of Malaya and Singapore.

SOURCES

To ensure comparability, data compiled or published by the United Nations Statistical Office have been incorporated wherever possible; the material supplied by governments, publications of governments, the United Nations and its specialized agencies and international commodity study groups have been used as additional sources.

Chapter 1

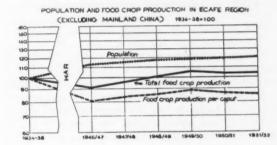
FOODSTUFFS1

PRODUCTION

Production of foodstuffs in the region continued to increase during 1951/52, when it reached a postwar peak and was slightly above the pre-war level. Output per head of population, however, was still below pre-war, and has been decreasing since 1949/50 if one excludes China² (see table 1-1).

For food crops, substantial gains in 1951/52 over previous years were registered for wheat, coarse grains, potatoes and root crops (see table 1-2). Significant increases in output of wheat took place in India and Japan; of maize in India, Indonesia and the Philippines; and of barley in India, Japan and Korea (south).

CHART I



Although rice output increased in Burma, China, Indonesia and Thailand, decreases were recorded in Japan, Korea (south), Malaya and Pakistan.

In spite of an increase in the production of agricultural raw materials following the Korean war boom, food production in certain countries, including mainland China, was either maintained or was increased by more intensive use of agricultural resources and labour; for example, an indication of this is the increased consumption of fertilizers in the region.3 Thus the production of non-food crops including fibres and rubber in the region increased by 5 per cent over 1950/51 and by 21 per cent over 1949/50, while food output increased only slightly. In Pakistan and India, jute acreage expanded by two fifths between 1950/51 and 1951/52, whereas rice acreage declined slightly and wheat acreage remained virtually unchanged. In Indonesia, rubber production increased by 16 per cent and rice production by 8 per cent.

TABLE 1-1

INDEX NUMBERS OF VOLUME OF TOTAL AND PER CAPITA CROP PRODUCTION^a

(1934-38=100)

CAFE region									1949/50	1950/51	1951/52
All crops								 	 95	99	101
Food cropsb								 	 96 86	99	101
Non-food cropsc			0.0	0.0	0.0	0.0		 		99	104
Population							0 0	 	 112	112	113
Per capita, all crops		0.0						 	 85	88	89 90
Per capita, food crops						9 0		 	 86	88	90
ECAFE region excluding Ch	nina										
All crops								 	 103	104	104
Food cropsb								 	 105	103	103
Non-food cropsc								 	 91	107	110
Population								 	 118	119	120
Per capita, all crops								 	 87	87	87
Per capita, food crops									89		96

Source: FAO

Based on materials supplied by the Food and Agriculture Organization of the United Nations.

Statistics relating to the mainland of China are largely based on estimates. China's increase in food production in the last few years is largely due to the very low level of output in 1949/50.

In 1951/52, consumption of all fertilisers in Asia increased by 17
per cent, of nitrogen by 15 per cent, of phosphoric acid by 17 per
cent, and of potash by more than 34 per cent above 1950/51.

a. These index numbers are weighted by values. They are preliminary only. The figures include estimates for the mainland of China which are approximations since 1949/50.

Food crops include cereals, sugar, root crops, pulses, edible oilseeds, tea, coffee and cocoa.

c. Non-food crops include fibres, linseed, tobacco and rubber.

TABLE 1-2
CROP PRODUCTION IN THE ECAFE REGION

Million tons

Этаіп сторв	1934-38 (Äverage)	1949/50	1950/51	1951/52
Rice (cleaned basis)	100.6	98.2	97.5	98.3
Wheat	34.8	32.6	36.6	38.1
Coarse grainsa	65.0	61.0	61.3	63.1
Total	200.4	191.8	195.4	199.5
Other food crops				
Potatoes and root crops	41.0	51.8	52.9	53.5
Vegetable oils and oilseeds-oil equivalent	8.1	7.5	7.9	8.0
Sugar-raw equivalent	7.3	5.9	6.5	6.8
Tea	0.7	0.6	0.7	0.7
law materials				
Cotton	1.9	1.2	1.4	1.6
Jule	2.0	1.3	1.5	2.1
Rubber	0.9	1.4	1.8	1.8
Tobacco	1.5	1.2	1.2	1.1

Source: FAC

During 1951/52, price relationships between food and non-food crops were undergoing a further change. Jute prices dropped rapidly with increased supply at the beginning of the season, then receded further during the first five months of 1952. Rubber prices in June 1952 were at their lowest level since the outbreak of the Korean war-a decline of about 50 per cent from the peak in February 1951 but still far above the pre-Korean war levels. World market prices of most oils and oilseeds had declined materially from the high level reached around March 1951, although by May and June 1952 prices began to recover. On the other hand, throughout most of 1951/52, prices of rice, wheat, other food grains and sugar were generally steady or increasing, although recently some grain prices declined on account of the larger crop prospect in the United States. In several countries, prices paid to producers of rice and other food grains were raised in order to provide incentives for increased food production. India allowed a 3 per cent increase for rice at the beginning of 1952, thus raising the price to \$94 per ton. In the three States of Indochina the price of rice at Saigon rose by 40 per cent between March 1951 and March 1952 to \$139 per ton, whilst Japan in September 1952 raised the price of paddy to internal producers from \$134 to \$143 per ton. The Ceylon government increased the guaranteed price of rice from Rs. 9 to Rs. 12 per bushel in the third quarter of 1951. In most rice exporting countries the internal procurement price is controlled and has remained nominally unchanged.

The present price relationships and the great efforts that are being made to expand food production make it likely that with favourable weather conditions, food production in 1952/53 will exceed that of 1951/52.

TRADE

Although exports of foodstuffs from countries in the region continued to increase during 1951/52, they were still only 44 per cent in volume of pre-war level, mainly because of the slow recovery of rice production. Imports of foodstuffs into the region increased sharply in 1951/52 and almost reached the pre-war level (see table 1-3). The region continued to be a net importer of foodstuffs.

The region continued to be a net exporter of aromatic crops² and in 1951/52 the volume of net export exceeded the pre-war level (see table 1-3). Significant increases took place in 1951/52 in exports of tea from India and Indonesia, and of tobacco from India and the Philippines.

Although the disappointing output of rice in some of the main importing countries is intensifying the demand for rice in world markets, trade in rice has not expanded significantly in 1952. Of the main exporters, Thailand is pursuing a cautious policy and has reduced its official estimate of available supplies. Burma's liberal shipments in 1951 reduced its carry-over considerably, so that this year's increased crop may not be reflected in larger shipments. Pakistan has announced

a. Including maize, barley, oats, millets and sorghum.

The net import of rice into the region (excluding the mainland of China) in the first half of 1952 was of the order of 90,000 tons. The region had been a net exporter of rice in 1951, 1950 and in pre-war.

^{2.} Aromatic crops comprise cocoa, coffee, tea and tobacco.

TABLE 1-3

INDEX NUMBERS OF VOLUME OF TRADE OF THE ECAFE REGION IN AGRICULTURAL PRODUCTS^a

(1934-38=100)

		Exports			Imports		Net Tradee			
	1949/50	1950/51	1951/52	1949/50	1950/51	1951/52	1949/50	1950/51	1951/52	
Agricultural products	68	82	84	74	89	101	- 60	- 74	- 63	
Food cropsb	37	42	44	78	79	96	+	+	+	
Aromatic cropse	94	88	100	68	81	86	- 99	- 90	-102	
Natural fibres ^d and rubber	97	130	129	68	102	108	-143	-173	-163	

- a. In basic data for trade indices the same commodities are included as for production indices as far as international trade existed, and they have been weighted by corresponding or applicable uniform price weights. (See footnote 'a' to table 1-1) Not-reported China trade 1949-51 partially estimated.
- b. Food crops comprise wheat, rye, barley, oats, maize, millet and sorghum, rice, dry beans, dry peas, broad beans, chick peas, lentils, unspecified pulses, sugar, potatoes, sweet potatoes, vegetable oils, animal and marine fats and oils, and meat.
- c. Aromatic crops comprise cocoa, coffee, ten and tobacco.
- Natural fibres comprise cotton, wool, jute, hard fibres, hemp and flax.
- e. = net exports.
- + Changed from a net exporting region to a net importing region between 1934-1938 and during the postwar period.

that it will have no exportable surplus, but is exchanging some rice for wheat from India; nor can Egypt be depended upon for supplies. The sustained large output in Europe and North America will thus be doubly welcome. The United States and Italy are expected to increase their exports, and Spain and Portugal have recently joined the rank of exporters, if only on a modest scale. An unknown factor on the supply side is the extent of exports from the mainland of China in the second half of 1952.

The main increases in demand for rice have come from Japan and Indonesia; the Philippines have raised their import requirements by 35 per cent. Indian needs remain high, although unevenly distributed, for in some rice districts the monsoon has failed for the fifth consecutive year. Although the rise in purchasing power has been checked in Ceylon, Indonesia and Malaya by the sharp fall in the prices of their main export products, their effective demand for rice has not, so far, shown any sign of falling.

The price of rice in international trade has continued to rise and the price differential between rice and wheat has widened. Under these conditions rice consuming countries, in the region and elsewhere, took up their full wheat quota under the international wheat agreement and total exports of wheat and wheat flour to 10 ECAFE countries from Argentina, Australia, Canada and the United States continued to increase during the first half of 1952 to an annual rate almost double that of 1950 (See Appendix 1-2). India's increase in imports was partly made possible by the one

million tons of wheat loan from the United States and 200,000 tons under the Colombo Commonwealth Aid Plan. The year 1952/53 will be the last year of the present wheat agreement and negotiations are taking place regarding the character of any new agreement.

Exports of fats and oils from the region increased sharply in 1951 as compared with 1950, following the rapid price increases after the outbreak of the Korean war. A declining trend in prices began in the spring of 1951 and continued until April 1952, after which there was a moderate recovery. Partly as a result of this break in prices, exports of most fats and oils from countries of the region decreased in 1951/52. World consumer and industrial demand in 1952/53 are likely to be well sustained by a high level of economic activity. However, the prospects for large world supplies are favourable so that a major rise in world prices of fats and oils is unlikely in 1952/53.

For the first time since the end of war, exportable tea supplies in 1951/52 were larger than world imports for current consumption. Production increased in the main exporting countries except Japan, where the crop was reduced by unfavourable weather. The slightly lower harvest in Northern India was more than counterbalanced by an exceptionally large crop in the southern part of the country. Ceylon, which in 1950/51 produced a crop 42 per cent larger than prewar, again increased production by 3 per cent, and Pakistan harvested a record crop. Indonesia's production rose to 62 per cent of pre-war, notwithstanding labour difficulties and the spread of blister blight disease.

Actual export of tea during the first half of 1952 was, however, lower than in the first half of 1951, partly because of the decline in prices at the main auctions (see appendix table 1-1). Even so, prices during the 1952 season were still 150 to 200 per cent higher than pre-war. As production in 1952/53 is promising, prices may decline further. In Northern India, weather conditions have been favourable and total Indian production is likely to exceed the 1951/52 crop. In Ceylon, the campaign against blister blight is proceeding with a high degree of success. In Japan, production is likely to rise.

On the demand side, the most important development is the end of tea rationing in the United Kingdom which will raise import requirements by about 50,000 tons a year as compared with recent years and by 30,000 tons as compared with pre-war. The efforts of tea-producing countries to expand consumption in the United States and in European countries are likely to show slow but steady results.

CONSUMPTION

During 1951/52 there were some improvements in the energy value of the diet in many countries of the region (see appendix table 1-3), but the prewar level has still not been regained. The improvement noted in food consumption in 1951/52 was partly due to the large import of foodstuffs. In 1951/52 there was some recovery in India following the conditions of acute food stringency that prevailed in part of the country in the preceding year, with serious shortages still being reported from some areas.

Food consumption in the region is about the lowest among the regions of the world, and the slow improvement in the average per capita supplies in many countries of the region seems to indicate that considerable effort will be needed if both the quantity and quality of per capita food supplies are not to remain at levels lower than in pre-war years.

Within the region cereal and starchy foods still constitute the bulk of a quantitatively inadequate food supply. A recent survey in Ceylon shows that the diet is often inadequate in terms of necessary calories and that undernourishment is common among the population. In an appreciable number of families surveyed recently in India, the average daily calory intake was below 2,000 and, in a few cases, below 1,500. Even in countries in which calory levels are adequate the diet often does not contain enough protective food. Such unbalanced diets have deleterious effects on health and are responsible for the prevalence of various deficiency diseases.

It is imperative that the per capita food consumption within the region be raised. The Sixth Session of the FAO conference considered an annual increase in world food production by one to two per cent in excess of the rate of world population growth (currently about 1 per cent) as a minimum necessary to achieve some improvement in nutritional standards. Nutritional requirements in many countries of the region however are above effective demand.

Food import, although small in relation to total food production, plays an important part in determining supplies in many countries. It is linked up with the ability of the countries to finance imports. This is especially so in view of the decline in export earnings of many raw material exporting countries of the region, and the increase in the price of rice. Even allowing for unrecorded production such as subsistence fishing, consumption of animal protein is so low that, were it doubled or trebled in the next ten years, it would still remain far below the present standards in advanced countries. However, livestock production can be increased in the long run without drawing on additional grain supplies, by culling herds, reducing diseases, and improving methods of breeding and feeding. In the years immediately ahead, it would be unwise to attempt to expand livestock output by methods that might diminish the supply of high energy foods. While avoiding competition for human food on the part of animals, the supply of animal protein, it is conservatively estimated, can be doubled in most countries by improved production techniques without detriment to the output of food crops. There is also much scope for expanding fish production from inland sources, especially as the fish resources of the region are still far from being fully exploited.

COUNTRY REVIEWS

Major rice exporting countries

Production of rice (paddy) continued to increase in major rice exporting countries in 1951/52. Rice production in Burma benefitted from greater internal security. Current yield exceeds prewar levels, as re-cultivation first extends to better quality lands. In Thailand rice acreage increased in 1951/52 to about 42 per cent above prewar, though yields declined somewhat owing mainly to marginal lands being brought under cultivation. In the three States of Indochina the area under rice cultivation has increased, though it still remains 5 to 10 per cent below prewar.

The area under rice cultivation in 1951/52 was about 23 per cent below prewar level.

The exportable surplus of the current crop of rice from these countries, however, will not significantly increase in 1952. In Thailand the Government planned to keep 300,000 tons as a reserve stock within the country and allocated only 800,000 tons for export in the first ten months of 1952. Towards the end of the year 63,000 tons were allowed to be exported. In Burma, although the rice crop is larger this year, liberal shipments in 1951 from carry-over stocks will reduce the exportable surplus (on the assumption that it is intended to build up stocks to the previous level). Burma's rice commitment up to June 1952 is 663,000 tons, or one half of the exportable surplus from the 1951/52 crop.

Burma and Thailand continued to export rice mainly to countries of the region (see appendix table 1-4), and India and Indonesia's share in Thailand rice exports are increasing. Indochina rice exports in prewar and early postwar years were mainly to countries outside the region but more recently, especially in 1952, greater rice exports have been made to countries within the region.

The increase in the price of rice in international markets tended to stimulate rice production in the three States of Indochina, and peasants were reported to be expanding rice cultivation owing to the establishment of an agricultural service, seed research, mechanization and use of fertilizers. In Thailand the producers do not have the full benefit of the high price of rice, owing to application of official exchange rates for surrender of foreign exchange earned on rice export, although some benefit has accrued to them through the working of the inducement system.1 In Burma, in spite of the partial restoration of rice trade to private business, the control exercised by the State Agricultural Marketing Board as the sole buyer of rice for export has enabled it to keep the internal price of rice unchanged.

Taking Burma's internal price of rice as 100, internal prices elsewhere were roughly: Thailand 230, Egypt 280, India 310, Italy 330, U.S.A. 390, Japan 440, Indochina 460, Pakistan 550 and Brazil 740. indices do not measure relative incomes or well-being of the rice farmers in the various countries, as incomes are dependent both on the price received and on costs of production and on very many other factors as well. The indices merely show that although the world market price of rice is the same for all countries, there are large differences in internal prices. In the rice exporting countries of Burma and Thailand, the internal price of rice is kept much below the external price, as a matter of marketing and fiscal policy. In other countries

subsidies on imports explain the difference, and there are also differences in costs of production as between the various countries. The disparity between the internal and the external prices of rice in Burma and Thailand suggests that, even if the international price should fall, at some future date, neither cultivators' incomes nor production would suffer immediately. To the extent that government revenues are dependent in these two countries on profits from rice marketing, the governments' financial position would be affected. In other countries rice output would be affected unless governments are willing to subsidize rice production.

Raw material exporting countries

The diversion of resources, especially labour, to the production of raw materials during the Korean war boom, affected the production of food in a few areas. At the same time raw material producing countries within the region increased their demand for foodstuffs as their incomes had risen; this additional demand increased their dependence on food imports from countries in the region and elsewhere.2 Rice and wheat imports into Ceylon, Indonesia, Malaya and the Philippines rose substantially in 1951 and 1952, as compared with 1950. Wheat imports increased also because of the slow expansion of rice production in the major rice exporting countries of the region.

In view of the scarcity of rice supplies and the rapid growth of population,3 both Ceylon and Malaya are keen on expanding domestic production. Some of the land reclamation and irrigation projects undertaken in Ceylon are completed or are nearing completion. In Malaya, rice production in 1951/52 has been maintained at a relatively high level, which is 35 per cent above prewar. In Indonesia rice production is reported to have regained the prewar level but per capita supply remains well below this. Local shortages, due largely to disorganized marketing and dislocated transport, caused a steep rise in prices of rice and other foods and led the Government to plan for increased import of rice in 1952. The Government also decided to pay heavy subsidies on imported rice and control domestic prices. In the Philippines, sugar output in 1951/52 came up to the prewar level, but exports have not yet reached the United States quota of 850,000 tons. Food production, though well above prewar levels, suffered a slight set back in 1951/52 from typhoons and floods, and imports of rice were continued in order to check rising prices.

^{1.} See Chapter 4 "Further decline in export earnings".

During the first ten months (August-May) of the rice marketing year 1951/52, the United States exported rice to the world to the amount of about 650,000 tons or nearly twice the amount of 1950/51. Of this, 64 per cent was shipped to Asian countries as compared with 3 per cent of total exports shipped to these countries in the corresponding period of 1950/51. See Foreign Crops and Markets, 21 July 1952, p. 52.

^{3. 2.8} per cent annum in Ceylon and 2.5 per cent in Malaya.

Pakistan for the first time became a food deficit country in 1952 and is stated to be requiring 400,000 tons of foodgrain imports. Unfavourable weather resulted in lower production of rice and wheat, which necessitated both an embargo on grain exports and intensive internal procurement for distribution to deficit areas. Pakistan succeeded in negotiating a \$15 million loan from the United States Export-Import Bank for the purchase of food imports. In the second half of 1952, negotiations were proceeding to procure 150,000 tons of wheat on the open market in the United States. Pakistan had already secured or made arrangements for the import of 310,000 tons of wheat from the Soviet Union, India, Turkey, Syria and Egypt. Earlier in the year, the British Government had given timely aid by diverting to Karachi 9,000 tons of wheat on route to the United Kingdom from Australia.

Pakistan's food deficit, however, is unlikely to continue for long, in view of the fall in the prices of jute and cotton and the government's policy of increasing foodgrain production, so that the country can expect to be self-sufficient in wheat and rice by the end of 1953. Given average weather conditions for grain production and effective control over food distribution, Pakistan may once more have a surplus for export in 1953/54, after meeting the expanding requirements for domestic consumption. Australia has offered Pakistan as part of its allocation under the Colombo Plan £11/2 million worth of agricultural implements and electrical goods during 1952. Meanwhile, irrigation projects continue to be given high priority in Pakistan's development plans. Two major schemes costing about Rs.300 million, which have recently been approved, will bring 5 million additional acres under cultivation.

In Ceylon and Malaya, even if the short-term programmes for agricultural development are fully implemented, import demands for rice are unlikely to show any material decline by 1953/54. Indonesia's agricultural programme continues to concentrate on measures most likely to bring immediate improvement in the production of food and export crops. This, together with improvements in transport and marketing, may scale down imports of rice by 1953/54. Per capita food availability in the Philippines has exceeded the prewar level. With the financial and technical assistance from the United States, the country appears to be on its way to achieving self-sufficiency in rice, and rehabilitation of production and trade in export crops.

Food and raw material importing countries

India and Japan continued to be largely dependent wheat imports from outside the region. (See Japan obtained most of its rice appendix table 1-2). supplies in 1950 and 1951 from Burma, Indochina and Thailand. In 1952, owing to the shortage of rice within the region, it has to supplement its foodgrain requirements by rice imports from outside the region. In 1951/52 Japan produced almost 83 per cent of its total food supplies compared with 85 per cent prewar, despite a rapid increase in population in the last decade. This had been made possible mainly through slight undermilling of rice, restriction on industrial uses of food, and a somewhat lower consumption level. Japan's agricultural development plans are designed to increase domestic food production in line with population growth.

In India, foodgrain production in 1951/52 suffered from drought in some important areas. Foodgrain imports in 1951 of 4.7 million tons, twice the volume of the preceding year, eased the internal supply situation and the year-end stocks were larger. Production of groundnuts declined, but sugar cane and tea output rose owing to increased acreage and favourable growing conditions.

Despite drought in 1951/52, procurement of foodgrains was more successful in 1952 than in the previous year. With increased payments on internally procured grains, involving higher prices for farmers, marketable supplies and stocks in the hands of the Government increased. Millets have been decontrolled throughout India, while several deficit States have decontrolled some foodgrains. The food import target for 1952 is likely to be revised downwards from the target of 5 million tons previously fixed (including unshipped balance of 1951 United States loan of one million tons of wheat).

The Indian Planning Commission has given high priority to development of agriculture through completion of various large and small scale irrigation projects in the first Five-Year Plan, and aims to secure by 1955/56 additional production of 7.6 million tons of food grains, 1.2 million bales of cotton, 2 million bales of jute, and a substantial increase in output of sugar and oilseeds over the 1950 levels. These targets, if achieved, would increase domestic food production by 1955/56 by 16 per cent above that of 1949/50, while population is expected to increase only 9 per cent over that period. This would reduce India's requirements of food imports, and relieve the food shortage, especially in rice, of other countries within the region.

Chapter 2

RAW MATERIALS

Prices of both agricultural and mineral raw materials rose rapidly in the Korean-war boom period and by 1951 or 1952 had generally doubled compared with 1949 level. The steepest price rise was in rubber which at its peak level was five and a half times the 1949 level. The rise in prices of agricultural raw materials started earlier than that of minerals, and was more rapid; and the collapse of the boom affected them first, with the down-turn of prices occurring in the first or second quarters of 1951. With the exception of tin the rise in prices of minerals lasted longer, and in many cases the peak was reached only at the end of 1951 or in the first quarter of 1952. There were a few commodities, however, such as copper, iron ore and manganese ore, whose prices continued to increase throughout 1952.

The increase in prices during the boom period stimulated production of both agricultural and mineral raw materials. Regional output of jute in 1951/52 was about 70 per cent, of rubber 26 per cent and of cotton about 40 per cent higher than in 1949/50. Output of minerals also reached levels 50 to 100 per cent above 1949, though in tin the expansion was much smaller (+10% at the peak). The most significant increases took place in the production of lead and zinc ore, and in refined sulphur in Japan. The increase in production of agricultural raw materials was made possible by a more intensive use of agricultural resources and to a limited extent by the diversion of resources from the production of foodstuffs. The expansion in mineral production was a continuation, in many countries, of the postwar recovery.

Inspite of the collapse of the Korean-war boom, prices of most raw material, towards the end of 1952 were still above the 1949 level; one of the exceptions is jute. Output of a number of primary materials has begun to decline in 1952 but in all cases it was still very much above the 1949 level.

AGRICULTURAL RAW MATERIALS

Cotton.

Postwar cotton production in the region, though still below pre-war level, had improved. During

1951/52 production rose further to 1.6 million tons, with significant increases in mainland China, India and Pakistan where high prices at the planting season gave a stimulus.

World cotton production for 1951/52, estimated at 35.4 million bales, was the largest in postwar years and the second largest on record. The increase in supply together with the subsiding of speculative demands, brought about a rapid decline in prices during 1951, and this was aggravated by a contraction in 1951/52 of textile operations and cotton consumption, and by the accumulation of textile and apparel stocks at all levels from manufacturer to consumer. While traders reduced their orders, manufacturers reduced their commitments for cotton and the decline in cotton prices induced further caution with respect to new orders.

It is not clear whether the recession will have any great effect in India. Government controls have held down the price of Indian cotton (as well as prices of the end-products) so that the industry enjoys a strong competitive position in export markets, although the fall in textile prices in other countries has reduced its competitive advantage. In Japan, a large unsatisfied domestic market for textiles (rationing was abolished in Japan only in 1951) and substantial military orders offset the fall in exports.

As a result of the textile recession and the general uncertainty in the cotton market during 1951/52, trade in cotton (lint) of countries in the region decreased sharply during the second half of 1951 and in 1952. Exports of cotton from India and Pakistan fell substantially in the first half of 1952. During the first quarter of 1952 the cotton trade in Pakistan came practically to a standstill. Exports revived only when the Cotton Board revised its support policy and agreed to sell cotton at 10 per cent below the official minimum price. In the second half of 1952, the price support scheme was abolished.

World cotton supply and consumption in the last three seasons, as recorded by the International Cotton Advisory Committee, are shown in Table 2-1. The 1952/53 season opened with a carry-over of 13.7 million

TABLE 2-1.

RAW COTTON: WORLD SUPPLY AND CONSUMPTION

									Million bales
Items							1949/50	1950/51	1951/52
Opening stocks	 	 	 			 • •	 15.2	16.9	11.5
Production	 	 	 		0 0	 	 31.2	27.9	35.4
Total supply	 	 	 			 	 46.4	44.8	46.9
Consumption	 	 	 			 	 29.5	33.3	32.2p
Closing stocks	 	 	 	0.0		 	 16.9	11.5	13.7p

Source: FAO a. One bale=478 lb. net. p. Provisional.

TABLE 2-2

RAW JUTE: PRODUCTION AND DISTRIBUTION

					Thousand ton
Production		1934/35- 1938/39 (Average)	1949/50	1950/51	1951/52
Pakistan	7		613	1,105	1,165
Indiα	}	1,860	568	597	849
Total		1,860	1,181	1,712	2,026
Exports					
From Pakistan To India)	760	305	471	309
Overseas	}	760	317	773	589
From India]		109	_	_
Total overseas		760	426	773	589
Consumption	ĺ			1	
India		1,178	905	966	1,045

Source: FAO

bales. Given a repetition of the 1951/52 volume of world production, total supply in 1952/53 would be about 48 million bales—a record postwar supply. It appears however that production is unlikely to be as large as in 1951/52, as price is less favourable to cotton planting.

Jute

Throughout the postwar era, jute and jute products have been in short supply, particularly in the first half of 1951 when prices reached a level 12 or 15 times the pre-war. With the harvesting of much larger crops in 1951/52 supplies became plentiful while demand decreased; prices in consequence dropped.

Both Pakistan and India expanded their jute acreage by 35-40 per cent in 1951/52, resulting in a crop of over 11 million bales. This was the first time

since 1940 that production had exceeded the pre-war level. Yields in Pakistan were about average. In India yields, although slightly higher than last year, were still markedly lower than in earlier postwar years, owing to the extension of acreage outside West Bengal into areas less suited to, or less experienced in, jute cultivation.

With more raw jute, mills in Calcutta extended their operations in December 1951. On account of weak United States demand, hessian manufacture was relatively unprofitable and one eighth of the Hessian looms remained sealed. As larger output of sacking could not be absorbed, the Calcutta mills reverted to the $42\frac{1}{2}$ hour week at the end of March.

To encourage exports, the Indian Government halved the export duty on hessian in February 1952 and

subsequently abolished quotas on exports of gunnies to soft currency markets. Even so the Calcutta industry was being undersold by European mills which increased their exports significantly to the United Kingdom, the United States and other markets. In the United Kingdom, notable improvements have taken place in the productivity of the Dundee industry and more ample supply of raw jute has made possible the abandonment of rationing. To strengthen the competitive position of India's jute mills, the export duty on both hessian and sacking was further reduced in May 1952.

Because of the large domestic crop and reduced demand for jute products, Calcutta mills have not been taking up their full quota (2.5 million bales for the season) of Pakistan jute. Shipments from Pakistan overseas, which in 1950/51 regained the pre-war level of exports from the Indo-Pakistan sub-continent, were also smaller in 1951/52.

With falling exports, prices in Pakistan receded sharply in the early months of 1952. In March, the Government announced a new schedule of minimum prices for loose jute, at which the Jute Board expressed its willingness to buy. As prices showed signs of falling further, especially in the Calcutta market, the Pakistan minimum price was reduced by about 26 per cent at the end of June 1952.

Pakistan had 97 per cent of the licensed area planted in 1951/52, but at the time of planting in 1952/53 jute prices were less favourable than rice prices and plantings were reported to be no higher than in the previous season. In addition, the Government announced in 1952 its intention to reduce substantially the area under jute. In India, the area planted in 1952/53 is expected to be less than in 1951/52. But

given favourable weather conditions production should be adequate to meet the requirements of jute factories and a recurrence of the very high prices of raw jute, which had prevailed in previous years, seems unlikely. Such high prices had greatly encouraged the displacement of jute at both the raw material and manufactured goods stages. Illustrative of this was the increasing use of paper as a packing material in the United States. With the fall in prices of raw jute in 1952 to levels below those prevailing in 1949, jute is likely to replace substitutes and the consumption of jute is likely to increase.

Silk.

Silk production in Japan continued to increase during 1951/52 to 11,400 ton (machine reeled) which was 15 per cent greater than in the preceding season though only a third of pre-war production. In spite of the increase in recent production, Japan's export of silk, after an increase in 1950 declined in 1951 and 1952, owing partly to the increase in domestic consumption.

Rubber.

The International Rubber Study Group gives the following estimate of the prospective supply of, and demand for, rubber in 1952 (see table 2-3).

The price of rubber, like that of many other raw materials, fluctuated violently during and after the Korean war boom. After reaching a peak in the first quarter of 1951, it continued to decline during the first half of 1952 (see appendix table 1-1). Mainly as a result of this price fall a drop of some 140,000 tons (7 per cent) is expected in natural rubber production in 1952; the loss of output is almost entirely on account of small holders.

Thousand tone

TABLE 2-3
RUBBER: UNITED STATES AND WORLD PRODUCTION AND CONSUMPTION

								19	051	1952a			
								U.S.	World	U.S.	World		
Production													
Natural Synthetic Total	• •	• •	• •	• •	• •	• •	• • • • • • • • • • • • • • • • • • • •	859 859	1,905 923 2,829	820 820	1,765 902 2,667		
Consumption													
Natural Synthetic Total	• •	• •	• •	• •	• •			461 771 1,232	1,524 826 2,350	448 815 1,263	1,466 893 2,359		

Source: International Rubber Study Group. a. Annual rate based on Jan-Oct.

As for synthetic rubber, the United States Reconstruction Finance Corporation has been directed to produce GR-S rubber at an annual rate of not less than 600,000 tons until, in addition to satisfying all other requirements, a Government stock of at least 75,000 tons has been accumulated. When this point is reached, production of GR-S rubber may be allowed to fall, but to not less than 450,000 tons annually, and only with a corresponding increase of GR-S stocks up to at least 122,000 tons. Limited exports of synthetic rubber from the United States are now taking place.

Total world consumption is expected to be about the same in 1952 as in 1951. The removal of restrictions on the use of rubber in the United States is not expected to have any appreciable effect on the relatively low level of natural rubber consumption there, in view of the price advantage enjoyed by synthetic rubber early in 1952. However, the sharp fall in natural rubber prices has narrowed the margin and recent statistics of rubber consumption in the United States during the month of August to November show that American manufacturers are now using a greater proportion of natural rubber as compared with the synthetic product than earlier in the year.1 The extent to which competition between the two products can take place is limited by the requirement that at least 510,000 tons of synthetic rubber (450,000 GR-S and 60,000 butyl) must be consumed. This amounts to about 22 per cent of total world consumption of both natural and synthetic rubber.

The excess of production over consumption, estimated at 308,000 tons in 1952, is considerably smaller than in the previous year. For natural rubber, it is 300,000 tons in 1952 as against 380,000 tons in 1951. The United States stockpiling programme is nearing completion, however, and purchasing is on a decreasing scale, while lower grade rubber is gradually being rotated out of the stockpile. The outlook for rubber, therefore, remains uncertain.

In view of the uncertainties in the rubber situation, the International Rubber Study Group resolved to establish a Working Party "to consider whether measures designed to prevent burdensome surpluses or serious shortages of rubber are necessary and practicable; to prepare drafts of any agreements required to implement such measures; and to report back to the Study Group as soon as possible."

Tobacco.

Production of tobacco in the Far East declined in 1951/52, as a result of a decrease in area under cultivation (see table 2-4). Generally speaking, yields in 1951/52 were not very different from previous years, although they continued to be below pre-war levels. During the current year significant increases in production took place in China (Taiwan), Indochina and the Philippines and, to a lesser extent, in Ceylon and Thailand. In India production continued to decline, mainly because of the decrease in the area under the crop. Countries with larger outputs tended to increase their exports in 1951/52.

1. c.f. London Economist. 13 Dec 1952.

TABLE 2-4 TOBACCO: PRODUCTION AND AREA

Thousand tons and thousand hectares

otal ECAFE Region								1934-38 (Average)	1949/50	1950/51	1951/52
								1,459	1.173	1.183	1,165
				0 0				1,478	1,287	1,185	
Area	0 0	0 0						1,4/6	1,207	1,400	1,269
CEYLON											
Production								1.0	2.6a	3.4a	3.6a
Area					0.0				4.0a	4.0a	5.0a
CHINA (Taiwan)											
Production								2.3	9.6	6.3	10.6
								1.0	10.0	5.0	8.0
INDIA								,			
Production								344.4	268.0	255.0	217.0
Area	-							364.0	348.0	340.0	296.0
INDOCHINA								001.0	0.0.0	0.0.0	200.0
								10.0	6.8	2.7	10.4
Production	0 0		0.0					13.0		7.7	12.4
						9 0	* *	15.0	11.0	12.0	17.0
PHILIPPINES											
Production								34.7	24.1	29.9	32.5a
Area								67.0	40.0	41.0	56.0ª
THAILAND											
Production								9.1	16.4	21.3	22.4
Area								10.0	26.0	30.0	33.0

Source: FAO L. Unofficial

TABLE 2-5 IRON ORE PRODUCTION

(Monthly averages or calendar months)

Thousand tons of iron content

			1949	1950	19	5 1		1 9	5 2	
			1043	1000	Jan-Jun	Jul-Dec	Jan-Jun	Jul	Aug	Sep
Hong Kong	٠		2.5 152	7.0 161	6.3	7.3	6.2	7.4	6.0	6.2
Japan Malaya . Philippines			32.4 0.5 17.1	36.7 27.0 26.8	35.5 41.6 40.0	44.6 44.5 48.7	39.2 41.4 61.8	55.8 73.0 55.6	50.6 78.1 51.0	50.0 79.8 52.2

MINERAL RAW MATERIALS Iron Ore and Ferro-alloys

Iron ore

Prices of iron ore¹ increased during 1950-52, mainly owing to the increase in prices of iron and steel products in world markets. The rate of increase in prices for iron ore, however, was not as rapid as that for other metallic minerals, especially tin. The increase in prices brought about an increase in output in the Philippines, Malaya, Japan and Hong Kong (see table 2-5). Statistics of India's 1952 production are not available, but judging from the increase in output in 1951 and from the increase in iron ore exports in 1952, production seems to have advanced.

The increase in demand for iron ore came mainly from Japan where rapid progress was recorded in the iron and steel industry: the production of pig iron and steel ingots in 1951 registered an increase of approximately 100 per cent over 1949, and this expansion continued till the middle of 1952 (May).

Japan's increased demand for iron ore was partly met by an increase in domestic iron ore production although the main supply came from imports which in 1951 were more than double the level in 1950; imports continued at high levels in 1952.² They came mainly from Hong Kong, the Philippines, India, Malaya, the United States and Canada. India's position as a supplier of iron ore will be further improved as new iron ore deposits to the extent of 930 million tons have been located in the Madras and Madhya Pradesh states, thus bringing the total reserves of iron ore to 10,000 million tons.

A fairly rapid increase in world production of tungsten was recorded in 1951 and in 1952, but the shortage of tungsten increased as demand expanded more rapidly. In the region, especially in Burma and Korea, the improvement in output was slow. In China mainland, output is reported to have reached in 1950 76 per cent of the "pre-liberation" peak and in 1951 80 per cent.

Although tungsten was in short supply, prices did not increase as rapidly as for certain other minerals owing to allocations by the "Tungsten Molybdenum Committee" of the International Materials Conference. Furthermore, in the committee's recommendation for allocation for the third quarter of 1951, an arrangement was introduced whereby the spot purchase price of tungsten was not to be less than \$55 and not higher than \$65 f.o.b. per short ton. Although one participating country was unable to agree to this proposal and although this price arrangement was not continued, there has, in practice, been a considerable degree of stability of tungsten prices in the first half of 1952 owing to the general adoption of long-term contracts at prices ranging between \$60 and \$65.

Manganese

With the increase in prices,⁴ manganese ore output in India expanded from 900,000 tons in 1950 to 1.3 million tons in 1951. Judging from the further increase in exports of manganese ore from India, it seems likely that production has been rising during 1952. Exports from India continued to be directed mainly to the United States but also to the United Kingdom, west

Tungsten

As indicated by the unit value of exports of iron ore from India, which increased from Rs.25.8 per ton in 1950 to Rs.32.2 per ton in 1951 and still further to Rs.39.2 per ton in the first four months of 1952.

Monthly average of iron ore imports into Japan increased from 122,000 tons in 1950 to 288,000 tons in 1951 and during the first half of 1952 reached 330,000 tons.

This committee, first convened on 8 March 1951, has a membership consisting of Australia, Bolivia, Brazil, Chile, France, Germany, Portugal, Spain, Sweden, the United Kingdom and the United

As indicated by the unit value of exports of manganese ore from India which increased from Rs.96 per ton in 1950 to Rs.113 per ton in 1951 and still further to Rs.166 per ton in 1952.

Germany and Japan. Larger supplies from India and higher output elsewhere have helped to ease the world shortage of manganese in 1952.

India's position as a major supplier of manganese ore will be improved as a result of field work undertaken by the Geological Survey in Orissa which is expected to yield over a million tons of manganese deposits.

In the Philippines manganese production decreased continually from 32,739 tons in 1948/49 to 18,950 tons in 1951/52, owing to lack of suitable ore.

Non-Ferrous Metals

Tin

In 1948, world tin production exceeded consumption and the gap widened in 1949 (see appendix table 2-1). The outbreak of the Korean war increased both stockpiling demands and commercial consumption of tin so that in 1950 the excess supply was reduced compared with 1949; commercial stocks of tin also declined.1 The price of tin rose rapidly, reaching its peak in February 1951 when the price was about twice that in the first half of 1950 and almost two and a half times the average of 1949. Under the stimulus of higher price increases the region's production of both tin-in-concentrates and tin metal increased during the second half of 1950 (see tables 2.6 and 2.7). The expansion result from the working of lower grade ground and marginal mines, rather than from new investment for the development of hitherto untapped resources; as the Korean-war boom was too short a duration to serve as a stimulus for increased prospecting and investment.

In order to stabilize prices, two international conferences were held in 1950 and in 1951 but no agreement was reached between the producer and consumer countries.2

World commercial stocks of tin had declined from 173,600 tons at the end of 1945 to 133,000 tons in 1949 and were reduced further to 120,000 tons at the end of 1950.

The first was the United Nations conference held at Geneva in Oct-Nov 1950. In Jan 1951 the governments of France, the United Kingdom and the United States proposed the creation of international commodity committees and in March a conference was held between the United States and some of the most important in producing and consuming countries.

TABLE 2-6 TIN-IN-CONCENTRATES PRODUCTION

(Monthly averages or calendar months)

Tons

	1 9	5 0	19	5 1		1 9	5 2	
	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul	Aug	Sep
Burma	129	129	138	138	80e	80e	80e	80e
Chinge	340	340	400	400	400	400	400	400
Indonesia	2,661	2,774	2,591	2,656	2,691	3,448	3,474	3,009
Japan	24	31	35	38	49	56	50e	504
Laos and Viet-Name .	5	5	8	8	8	8	8	8
Malaya	4.902	4.841	4,744	4,937	4.775	4,925	4,831	4,564
Thailand	788	967	791	818	743	776	783	819
Total	8,849	9,087	8,707	8,995	8,746	9,696	9,623	9,930

Source: International Tin Study Group. e. Estimated.

TABLE 2-7 TIN METAL PRODUCTION

(Monthly averages or calendar months)

Tons

			1 9	5 0	19	5 1	1 9 5 2			
			Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul	Aug	Sep.
China ^e			340 29	340 37	400 45	400 52	400 51	400 55	400 50e	400 50e
Japan . Malaya Total		*	5,715 6,084	5,926 6,303	5,555 6,000	5,607 6,059	5,108 5,559	5,491 5,946	5,796 6,246	6,183 6,633

Source: International Tin Study Group. e. Estimated.

TABLE 2-8 INDICES OF METAL PRICES IN LONDON

(1949 = 100)

						19	50	19	5 1	1952			
						Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Mar	Apr-Jun	Jul-Sep	
Aluminiur	n					115.9	124.1	130.6	130.6	156.0	162.2	162.2	
Coppera						120.5	147.6	158.1	172.3	170.2	180.0	214.0	
Coppera Lead .						90.5	117.4	144.6	172.9	166.6	140.4	128.5	
Vickel						132.5	155.3	168.3	180.9	181.0	181.0	181.0	
in .						100.9	150.9	206.6	157.1	164.6	163.2	161.9	
Zinc .						109.3	160.4	175.9	211.4	214.9	192.0	141.8	

Source: International Tin Study Group. a. Electro copper.

Towards the end of the first quarter of 1951, however, the monopolization of U.S. imports by the government though the Reconstruction Finance Corporation, the decrease in stockpiling demand and also in commercial consumption of tin in the United States¹ caused tin prices to fall rapidly from February to August 1951.

In 1952, tin prices were levelling off at higher levels than those at which they had stood before the Korean war. A measure of price support and price stability was secured by the two long-term tin agreements which the United States concluded with Indonesia on the one hand and with the United Kingdom and Malaya on the other. In these agreements prices had been fixed at an equivalent of £965 per ton in London.²

Regional tin output, which contracted when prices fell during 1951, was stimulated again by the firmer price tendency and the greater stability secured by these agreements.

Copper, lead and zinc

These metals were in short supply in 1950 and 1951, and copper and zinc have been subject to allocations by the Copper-Zinc-Lead Committee of the International Materials Conference since 1951. During these two years the prices of all these metals rose rapidly (see table 2-8), but in early 1952 prices first for lead and later for zinc fell as more supplies became available. Copper has continued to be in short supply, with further price increases during 1952 (9 months).

When the supply position of zinc eased, international zinc allocations for the second quarter were suspended by the International Materials Conference in the last week of May and no further allocations were made for the third quarter. With the improvement in lead supplies, trading in lead on the London Metal Exchange was permitted in October 1952 after a suspension of 13 years. In the free transactions, prices slumped to £111 per ton as against the control rate of £131 at which the metal was pegged prior to decontrol. Free dealings in zinc will be resumed in London at the beginning of January 1953.

Under the stimulus of price increases, production of copper, lead and zinc within the region increased in 1951 and in 1952 (see table 2-9), as prices were still above pre-Korean-war levels. In Japan internal prices of these metals were above those prevailing in the world market. For copper, this has meant that although the International Materials Conference fixed Japan's export quota for the third and fourth quarters of 1952 at 4,100 and 3,400 tons respectively, not a single ton had been exported by November—in view of the high prices offered by Japanese smelters. In the case of lead and zinc, even though Japan's prices were reduced, as a result of the turn in market conditions, the internal price level, which was still above the world level, made exports difficult.

Although India is a producer of these metals it relies on substantial imports for its requirements. The International Materials Conference allocated to India 3,550 tons of copper and 6,500 tons of zinc³ for the second quarter of 1952. India, which at present produces only refined copper, will begin producing electrolytic copper in conjunction with the production of silver some time in 1954.

The decline was mainly due to various governmental restrictions first issued in Dec 1950 and further tightened in 1951. See International Tin Study Group, Tin, 1950-51, A Review of the World Tin Industry, pp. 64-65.

See Chapter 4, "Further decline of export earnings", p. 30, for details.

India imported 32,900 tons of copper metal and 26,200 tons of zinc metal in 1950.

TABLE 2-9
COPPER, LEAD AND ZINC PRODUCTION

(Monthly averages or calendar months)

Tons

									1950	1 9	5 1		1 9 5 2		
									Jan-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul	Aug	
letallic ores (n	neta	l c	onte	nt)											
Copper															
Japan Philipp									3,286 865	3,403 996	3,724 1,122	4,172 1,118	4,601 1,118	4,572 1,115	
Lead															
Japan Philipp									908 73	1,104 41	1,041 54	1,369 103	1,590 340	1,460	
Zinc															
Japan					*				4,336	5,279	5,458	6,772	7,883	7,343	
melter product	tion	ı													
Copper															
India Japan									560 3,098	572 3,349	627 3,792	546 4,067	498 4,128	3,93	
Lead														1	
India Japan							•		53 832	74 900	71 890	96 1,187	61 1,410	1,26	
Zinc															
Japan	0								4,084	4,644	4,747	5,863	5,945	5,90	

a. From both domestic and imported ores and concentrates.

Non-Metallics Other Than Fuel

Sulphur

The world shortage of sulphur continued in 1951 and in the first half of 1952. In the second half of 1952 the shortage was less serious and the Sulphur Committee of the International Materials Conference allocated 3.3 million tons of sulphur which was about 251,000 tons more than was available in the first half of 1952. For the first time also, the new allocations allowed a few countries enough sulphur to build up their depleted stocks. In the opinion of the conference, as the result of its sulphur allocations since July 1951 "consumption has been virtually brought into line with production and the severe drain on stocks halted."

Within the region Japan is the only significant producer of sulphur, while both India and Japan are

important consumers. Japanese production of refined sulphur and gypsum increased rapidly in 1951 and reached a peak towards the end of the year. In 1952, the rate of increase declined and sulphur production practically levelled out during the first eight months of the year. India, which relies on imports for its supply of sulphur, was able to obtain its minimum requirements for essential industries after having joined the Sulphur Committee of the International Materials Conference. India was allocated 30,000 tons for the period July-December 1952. This was expected to help the Indian sulphuric acid industry which had suffered from inadequate supplies of sulphur in the last few years causing its output to be much below capacity.¹

Although the installed capacity is 16,000 tons per month, during the first half of 1952 actual monthly production ranged between 6,000 and 9,500 tons. See Government of India, Ministry of Commerce, Monthly Statistics of the Production of Selected Industries of India.

Chapter 3

INDUSTRIAL PRODUCTION

GENERAL

Industrial production in the region is concentrated in Japan, India and China. Large additions to industrial output are reported from mainland China. In Japan and India, however, there have been some signs of a slowing down of industrial activity. The increase in output observed in both countries in the preceding year continued in 1952, but at a diminishing pace; and by the spring or early summer the rising curve of production had levelled off to a more or less horizontal course. As far as the other countries of the region are concerned, there are no indications that the recent recessive tendencies in international trade have interrupted the policies of establishing industries or of developing transport and power facilities as a basis of industrial growth. Thus taking the region as a whole, the general picture in 1952 has been one of continuing, though uneven, advance.

China: In the mainland very large and continued increases are reported, over the whole field of production. The information is however not presented in the conventional statistical form. It consists throughout of statements of percentage or proportional increases against base figures for the year of "liberation" (1949). Thus, official figures show a rapid increase in basic industries during the period 1949 to 1952, e.g. power from 72 to 115, and coal from 45 to 90, pig iron from 11 to 104, steel ingots from 16 to 155, rolled steel from 18 to 167. Increases in consumer goods industries during the same period are also stated to have been notable, for example, cotton yarn from 72 to 144, cotton cloth from 73 to 161, cigarettes from 83 to 145 and wheat flour from 78 to 106. The year 1949, the year of "liberation," marked however a very low level of economic activity in mainland China (see appendix table 3-1).

Increases in industrial production are especially marked in the Northeast, the heart of industrial China, where state enterprises now predominate. In other parts of China state enterprises have extended in scope, although private enterprises under government control are still functioning. Such control takes the form of allocation of raw materials and of transport facilities as well as production for government orders.

The rapid increase in production as represented by the official figures may be accounted for by a number of factors of which the most important are the restoration of internal peace and order, the rehabilitation of transport especially railways, and the application of competitive methods as a spur to both workers and firms.

Industrial production in Taiwan also increased in 1952 compared with 1951 for many products, especially coal, power, fertilizers, cement and salt; the output of sugar, however, declined. (See appendix table 3-2).

Japan: Japan's industrial expansion in the years up to 1951 was mainly supported by the increase in private investment and in exports, while consumption was lagging behind. In the course of 1951 these expansionary forces weakened. Exports ceased to make further advance, and after a period of uncertainty declined sharply in the second and third quarters of 1952. Investment activity also decelerated after the late autumn of 1951 (except in power development and shipbuilding) 1 and output of investment industries began to contract, partly on account of declining exports. On the other hand, there has been some increase in public or semi-public investment and in government expenditure on "national security," as well as an increase in personal consumption. As a result of these conflicting tendencies, some industries show more or less pronounced output losses, while others, particularly consumer industries serving the home market, have continued to gain ground. The net effect on total industrial production has been a slackening in the rate of growth, between, roughly, mid-1951 and mid-1952.

For evidence see Economic Survey of Japan, 1951-52, by the Economic Stabilization Board, Japanese Government, July 1952.

TABLE 3-1

JAPAN: INDICES OF INDUSTRIAL PRODUCTION

(1934-36=100)

							Total Industrial	Manufactures					
							production	Total	Investment goods	Consumer goods			
1950		 	 	 			93.8	93.2	117.2	66.5			
1951	Jan-Mar	 	 	 			114.3	115.2	151.0	84.4			
	Apr-Jun	 	 	 		0.4	130.2	131.5	175.4	90.7			
	Jul-Sep	 	 	 			129.9	130.9	174.3	90.8			
	Oct-Dec	 	 	 			131.8	132.3	173.8	96.0			
1952	Jan-Mar	 	 	 			129.4	129.0	157.8	100.6			
	Apr-Jun	 	 	 	* *		135.6	136.4	167.0	104.9			
	Jul-Sep	 	 	 		0.0	139.1	140.2	173.3	110.7			

Source: Japan Economic Council Board.

India: The year 1951 and the early part of 1952 saw a relatively large expansion of industrial production in India, with basic materials, engineering and chemical industries in the forefront. Better raw material supplies, capacity extensions and permitted increases in various controlled prices stimulated production which reached a peak level in April 1952. Since then there has been a slightly recessionary tendency, extending not only to

export industries (particularly jute manufacturing) but to a fairly wide range of producer and consumer industries serving the home market. This slackening is probably attributable to more cautious buying both on the part of firms and of consumers who have taken a "wait and see" attitude after the severe break in Indian commodity markets in February and March.

TABLE 3-2

INDIA: INDICES OF INDUSTRIAL PRODUCTION

(1946 = 100)

		Cotton cloth	Jute	Steel	General engineer- ing and electric engineering	General index
1950		93.8	76.8	111.2	203.5	105.2
1951	Jan-Mar	101.0 106.2 106.5 103.3	75.2 82.3 77.8 85.8	114.7 115.0 115.8 117.6	262.3 258.5 284.9 256.2	113.6 117.3 117.8 120.5
1952	Jan-Mar	106.2 116.5 128.1 125.4	95.5 87.8 90.9 80.6	124.6 117.1 117.6 117.6	278.4 210.7 217.8 221.3	126.3 126.7 128.8 124.7

Source: India Ministry of Industry and Supply.

FUEL AND POWER

The region's share in world coal production shows a heartening increase from 5.9 per cent during the first half of 1951 to 6.9 per cent during the first half of 1952, and indicates that the rate of increase in production within the region exceeds that in the rest of the world by a significant margin.

The contribution of the region to world production of petroleum is still low but it is rising, and there are indications that in the course of the next few years the rate of increase will be accelerated.

The fall in the region's share of electricity production from the second half of 1951 is partly due to the effects of abnormal weather conditions on the output of hydroelectric power, principally in Japan (which has three-quarters of the electric power capacity of the region) and secondly in India, but it is also a fact that the rate of electric power development outside the region is higher than within the region.

TABLE 3-3

PRODUCTION OF FUEL AND POWER IN ECAFE REGION EXPRESSED
AS A PERCENTAGE OF WORLD PRODUCTION^a

					1950	19	1952	
					1950	Jan-Jun	Jul-Dec	Jan-Jun
Coal	 	 	• •	 	5.77	5.89	6.15	6.87
Petroleum, crude	 	 		 	2.28	2.34	2.41	2.43
					6.27	6.30	5.90	6.18

a. World total excluding U.S.S.R. production. Countries covered are:— For coal: China (Taiwan), India, Indonesia, Japan, Korea (south), Malaya, Pakistan and Viet-Nam. For petroleum: Brunei, Burma, Indonesia, Japan, Pakistan and Sarawak. For electricity: Burma, Cambodia, Ceylon, China (Taiwan), Hong Kong, India, Japan, Korea (south), Malaya, Pakistan, Philippines, Thailand anl Viet-Nam.

Coal

As shown in Table 3-4, coal production in the region (excluding mainland China) in the first half of 1952 was about 15 per cent higher than in the corresponding period of 1951, owing to increased output

of Japan and India, though the recovery of minor producers, such as Viet-Nam and Korea (south), was a marked feature. Production in July and August was about 10 per cent below that for the first half of 1952, and may indicate a reversal of the trend.

TABLE 3-4

COAL PRODUCTION

(Monthly averages or calendar months)

Thousand tons

		1 9	5 1	1 9 5 2				
	1950	Jan-Jun	Jul-Dec	Jan-Jun	Jul	Aug		
China (Taiwan)	117	130	147	173	193	190		
India	2,735	2,922	2,888	3,164	2,906	2,878		
Indonesia	67	74	71	78	86	85		
Japan	3,205	3,414	3,805	4,122	3,822	3,538		
Korea (south)	47	1	18	38	46	43		
Malaya	35	32	33	26	34	43 29		
Pakistan	37	45	41	54	42	42 53		
Viet-Nam	42	49	56	38 26 54 67	62	53		
Total	6,286	6,666	7,058	7,721	7,191	6,858		

e. Estimated.

The year began in Japan with market and colliery stocks reduced to about 1 million tons, a quarter of the available market stocks at the beginning of the Korean war. In the meantime, monthly production had risen to a postwar peak of 4.3 million tons on the average of the first quarter of 1952. The effects of the rationalisation in the preceding period continued to be felt; output per worker was still rising, though it had not yet reached pre-war levels. Meanwhile, industrial demand declined and market and colliery stocks increased rapidly (by some 35 per cent in the first quarter of 1952). The decline in demand and increase in stocks continued and were intensified in the second quarter; though the production of coal fell to an average of slightly less than 4 million tons per month for the second quarter, and to 3.5 million in August. Market stocks were over 2.2 million tons in June, and were estimated to have risen to over 2.5 million tons by August.

Government policy since 1951 has been to encourage the substitution of heavy fuel oil for coal. The present decline in the demand in Japan relates principally to the home-produced low-grade coals. High grade coals must still be imported; but these foreign coals which have been chiefly relied on during the recent period to replace coals from mainland China have recently been considerably reduced in price.

The course of the development was broadly the same in *India*. The production of coal in the first quarter of 1952 (with a monthly average of 3.2 million tons) was considerably above the rate of production in 1951 (monthly average just under 3 million tons). This high rate of production was maintained in April and May, but declined in June, July and August.

Distribution continues to present serious problems. A recurrent theme of comment in India has been the extent of the dependence of industries on coal supplies, and the dependence of coal supplies on improvement in transport. The improvements of recent years in the provision and handling of railway waggons do not seem to be sufficient; the continued accumulation of pithead stocks is partly attributable to this cause. In claims for transport priority, coal competes sharply with other commodities, especially food grains. It is estimated that proper provision for the carrying of coal would mean devoting to that purpose one fifth of all the waggons available on first class railways.

In China mainland, great increases in the output of coal are reported, these being attributed largely to the enthusiasm of the workers, and also to the introduction of Soviet methods of work-planning.

In Taiwan, coal mining has been given special attention by the Government and the foreign assistance agencies, since lack of coal, high cost of production and high market price have been serious weaknesses in the island's economy. Production has recently increased, but costs have also increased, and the price of coal has recently risen more than other prices.

The output in *Viet-Nam* for the first quarter of 1952, with a monthly average of 67,000 tons, was much above the corresponding quarter of 1951 (monthly average 48,000). The output reached 89,000 tons in March 1952, a postwar record, but still much below pre-war levels (monthly average was 195,000 tons in 1938). Exports were increased in the first half of 1952. In the second quarter, the monthly production figures fell off from the high level of March (April 78,000 tons, May 68,000 tons), but the period as a whole shows a marked improvement.

The Government of Pakistan has stressed the need for mine-owners in Baluchistan to develop and modernise their operations. Though production of coal increased very considerably in the first half of 1952, official statements have suggested that the prospects of oil development in Pakistan are relatively favourable, and that oil fuel would be substituted for coal as far as possible. Meanwhile, the expert surveys recently concluded have established the existence of considerable lignite deposits in both East and West Pakistan.

In Thailand also, it is planned to develop the use of lignite fuel, in which a beginning has been made.

In Burma, preliminary work continued in the Kalewa area, where it is intended to exploit the newly-discovered deposits of low-grade coal.

The advance of production in *Brunei* continues to be striking. It is reported that during the first two months of 1952 a record output of 14,000 tons a day was reached in the Seria field. A new agreement was signed in June between the operators and the Government of Sarawak, clarifying the tax and royalty obligations of the company.

In *Indonesia*, the 1951 level of output was slightly exceeded during the first half of 1952. The output in July and August was maintained at a high level and reached 728,000 and 708,600 tons respectively.

Petroleum

The production of petroleum in the region is stated in Table 3-5.

TABLE 3-5

CRUDE PETROLEUM PRODUCTION

(Monthly averages or calendar months)

Thousand tons

					1 9	5 1	1 9 5 2				
				1950	Jan-Jun	Jul-Dec.	Jan-Jun	Jul	Aug		
Brunei	 	 		343	408	420°	429e				
Burma	 	 		6	8	8	9				
Indonesia				534	594	646	653	728	709		
•				25	29	28	26	27	26		
Pakistan	 	 		14	13	13	14	14	13		
Sarawak	 	 		5	4	4	4				
Total	 	 		927	1,056	1,119	1,134				

e. Estimated.

There was slow progress towards formal agreements between the Government and foreign interests on the question of the latter's status, but both parties collaborated effectively in practical matters, especially in the development of new production.

The opening, in July, of the third distillation unit of the refinery at Balikpapan completed the rehabilitation of that installation. Refinery output at Balikpapan was about 6,000 tons a day in the middle of 1952, but was expected to rise to nearly 7,000 tons a day. The present crude oil production of the district (about 70,000 tons per month, or half the prewar) is insufficient to occupy this refinery fully; the possibility is envisaged that it may serve a much wider district, since fields in the Balikpapan area are to some extent "drying out."

Rehabilitation at Tarakan, where wartime destruction was very great, had also been nearly completed; by June 1952, 463 wells were in production, compared to 475 in 1942, some 300 of which were totally destroyed during the war.

Production in the Minas field (Central Sumatra) began in April. Plans were made in the middle of the year for the rehabilitation of the North Sumatra fields. The erection of a large drum factory at Tjilatjap was planned, and machinery for this was received in April.

In Japan, production of crude petroleum continues evenly at a rate somewhat below prewar, though

consumption is now considerably above prewar. The refinery capacity has however been increased, and is expected to cover 20 per cent of the country's requirements of finished petroleum products in 1952. The supply position eased considerably in the early part of 1952, by which time "black-market" prices were hardly above official rates.

In the region generally, present plans mean that an increasing proportion of requirements will be refined locally in future years. The *Philippines*, which produce no petroleum, may become another centre of this activity for South Asia. The construction of a refinery was planned to begin in September 1952 to be completed in two years, at an outlay of \$20 million. Plans for refineries in Bombay and Chittagong have also been discussed.

In Pakistan, experimental drillings are continuing in both the Eastern and the Western parts of the country.

Electric Power

Production of electricity increased throughout the region in the first half of 1952 (Table 3-6). After the passing of the abnormal droughts which affected both Japan and India in the preceding months, and with the completion of new productive capacity, the supply of electricity increased in the early part of 1952.

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TABLE 3-6
ELECTRICITY PRODUCTION

(Monthly averages or calendar months)

Million KWH

		1 9	5 1		1 9 5 2	
	1950	Jan-Jun	Jul-Dec	Jan-Jun	Jul	Aug
Burma	3	3	3p			
Cambodia	1	I	1	1	2	
Ceylon	7	9	9	9a		
China (Taiwan)	88	104	110	108	119	
Hong Kong	24	28	31	32	34	34
India	425	477	502	494	534	532
Japan	3,236	3,555	3,297	3,614	3,874	3,681
Korea, south	34	16	36	47	55	53
Malaya	56	64	68	79	81	81
Pakistan	15	17	20	22		
Philippinesb	38	40	43	44	48	48
Thailande	4	5	5	5	5	
Viet-Nam	14	16p	18p	19	19	20
Total	3,944	4,334	4,143	4,479		

Source:

a. Jan-Apr.

b. Manila only.

c. Electricity generated by Bangkok Electric Works only.

p. Preliminary figure.

In Japan, the production in the second half of 1951 was severely affected by unusual weather conditions, but recovery was rapid after the New Year. Government plans for hydroelectric development are on a very large scale. In June a law "for the acceleration of electric power resources development" was passed. Under this law, the Electric Power Resources Development Company was established on 16 September, to develop electric power in areas where private companies are inadequate. Over one half of the authorized capital of 100 billion yen is expected to be government-subscribed.

In *India*, similarly, cuts imposed by the irregularity of the monsoon weather were discontinued, and new capacity came into operation, so that the first half of 1952 showed more electricity generated than in the corresponding period of 1951. The increased availability of electricity for rural use is a recent feature in India. The growth of tube-well irrigation in the United Province is sustained by power drawn from the Ganga canal stations. Other states in India have also tube-well programmes. The first of the new electricity generating stations under the plan, at Bokaro, will come into operation in 1953.

Generating capacity in Pakistan now totals nearly 100,000 KW, or about double the capacity at the time of the Partition, but is well below industrial needs.

The development programme includes large hydroelectric projects.

Production in mainland *China* is reported to have increased from 72 per cent of the "pre-liberation peak" in 1949 to an expected high of 115 per cent in 1952. In Taiwan, output shows a steady increase. Rehabilitation is declared to have been completed and a five-year expansion programme instituted, the aim of which is to raise output by 1957 to about double the present level.

The increase in the production of electricity in Korea (south) resulted partly from better weather conditions, but is mainly attributable to rehabilitation and renovation. Industrial consumption, at about 7 million KWH per month at present, is less than one-third of what it was four years ago. The increased availability of electric power is expected to stimulate the further restoration of industrial production.

MANUFACTURING INDUSTRIES

Iron and Steel

The iron and steel industry is concentrated in Japan, India and China, with limited production in other countries. During the second quarter there was a slight fall in total Indian production and in the production of finished steel in Japan. (see Table 3-7).

JAPAN AND INDIA: IRON AND STEEL PRODUCTION

(Monthly averages)

Thousand tons

								19	5 2
						1950	1951	Jan-Mar	Apr-Jun
Pig iron an Japan India	 	loys				192 142	269 154	308 161	311 150
Steel ingots Japan India		tings			:	403 122	542 127	586 136	597 128
Finished sto Japan Indias	• •		• •	**	• •	272 85	414 91	446 93	428 89

a. Includes secondary products.

In Japan the industry is actively engaged in the modernization programme for the purpose of reducing costs of production through replacement of existing old style by up-to-date equipment. It is anticipated that upon completion of the programme in 1954, Japan would attain a production of 5.4 million tons of pig iron, 5 million tons of steel and 400,000 tons of special steel, and would be able to meet both probable domestic and foreign demand at lower prices.

In pre-war years China used to constitute the major market for Japan's iron and steel products, but recently Australia, Argentina, Pakistan, etc. have become more important as potential customers.

The industry's position with respect to raw materials, including iron ore and coking coal, has been adversely effected by increased freight charges and suspension of supply from mainland China. Of the total estimated requirement of 6 million tons of iron ore for 1952, it is planned to import 5 million tons including 1.9 million tons from the United States and Canada, 1 million tons each from the Philippines and Malaya and smaller quantities from India and Hong Kong. In the meantime, Japan has been exploring the possibility of developing iron ore resources in India, Indonesia, Malaya and the Philippines. Japan also requires for the current year 3 million tons of coking coal for metallurgical use. While imports from the United States have tended to decline, a contract for 1 million tons from India is reported to have been concluded.

India produces less than 2 million tons of pig iron and over 1 million tons of finished steel per year. There is a proposal to increase the output of the three

existing units by about 500,000 tons of finished steel in the next 4 or 5 years. The Government of India is actively engaged in planning the installation of new units in collaboration with Japan and the United States, possibly also with the assistance of a loan from the International Bank.

In the mainland of *China*, the iron and steel industry is concentrated in the Northeast. According to reports, the annual output of iron and steel has now increased by about 8 times the production of 3 years ago. Comparing 1952 figures with those of recorded peak years, the output of pig iron was expected to be 4 per cent greater, steel ingots 55 per cent greater and steel materials 67 per cent greater.

Among other countries of the region the Philippines has a number of small units for the melting and rolling of scrap. One of the plants has 3 electric furnaces for making steel from scrap and a newly installed merchant bar and rod mill. The Government has placed orders in the United States for a new steel plant, which is expected to come into operation early next year. In Burma there are at present small rolling mills with a capacity ranging from 400 to 800 tons per year. The Government plans to erect a small iron and steel plant with a capacity of about 16,000 tons annually. Tenders for machinery have been called for to process her large resources of scrap. Pakistan has advanced plans for the construction of additional electric furnaces with an annual capacity of about 15,000 tons to make billets from remeltable scrap and supply the existing foundries. It is also planned to establish a new hand bar mill with an annual capacity of 30,000 tons to supplement the existing rolling mill capacity, a part of which is of

the older type. Thailand has a small iron and steel industry producing about 350 tons of bars per month at Tha Luang, Saraburi Province. The Government is promoting plans for the construction of an iron smelting works in the Northern province of Phrae, and for the production of 100 tons of finished steel shapes daily. In Indonesia, there are plans for the establishment in central Java of a steel manufacturing unit with a plant to utilize the country's scrap iron resources to the extent of about 30,000 tons annually. In Ceylon the Government has under consideration plans to establish a plant to manufacture pig iron and steel. It is expected to produce about 18,000 to 25,000 tons annually of merchant sections, bars, rods, hoop iron, belts, nuts, wood screws, etc. Though tenders have been called for and the Government have approved the scheme in principle, further action on the project has been deferred pending consideration of the International Bank Mission's report.

Cement

Changes in the demand for cement and in the output of the industry are a good index of changes in the volume of constructional activity.

In Japan, which is the leading producer of cement in the region, monthly average output during the first half of 1952 (572,000 tons) was at a somewhat lower rate than in the last quarter of 1951 (604,000 tons). Exports have fallen, and constructional activity in Japan has not expanded further since 1951. The industry is keenly aware of the possibility of over-production, but expects that the growth in public investment will provide new outlets.

In the mainland of *China*, taking the "pre-liberation" peak as the base, output is stated to have risen from the low level of 31 in 1949 to 66 in 1950 and to 107 in 1951 and is expected to reach 148 in 1952. The rapid increase in demand, to which output responded, arose mainly from extensive construction work in dyke and dam building for flood prevention and irrigation, as well as from other public construction projects.

In *India*, average monthly output in 1952 (295,000 tons for January to August) was well above the average for 1951 (271,000 tons).

In Pakistan, the output of cement, mostly from West Pakistan, increased from the February low of 38,000 tons to 51,000 tons in March and 50,000 tons in April, as compared with the monthly average of 42,000 tons in 1951. In view of increasing demand, the Government has proposed to install three more factories of 400 tons

daily capacity each in West Pakistan, and has advanced loans to the Chatak factory in East Pakistan to double its present capacity of 60,000 tons per year.

In other countries where production is at a low level, the first half of 1952 witnessed the launching of government plans to expand existing capacity or erect new plants. In Ceylon, the Kankesanturai State Cement Factory, with a present producing capacity of 65,000 tons per year, is expected to increase its capacity to 90,000 tons, to meet the country's consumption requirement of double the present capacity. In Indonesia, a proposal was presented to the Export-Import Bank for the building of a new cement factory near Sourabaya, to supplement the production of the Pudang cement factory. In the Philippines the cement output during the first eight months of 1952 averaged 26,700 tons which was slightly in excess of the average output of 25,200 tons in 1951. A new up-to-date portland cement factory in Guimaras Island was opened in April. The demand is increasing owing to government attempt to speed up its public works rehabilitation programme. In Thailand, in addition to the Thai Cement Company in Bangkok which has a daily producing capacity of 460 tons, the Government has approved the construction in 1953 of a new plant at Tha Luang in Saraburi Province, with a daily producing capacity of 600 tons, primarily to manufacture cement for the Chainat Dam and other projected hydro-electric installations.

Machinery

Machinery industry in the region is confined to Japan, India and China. In Japan the index of engineering production, with 1934-36 as the base, rose to the peak of 183 in the second half of 1951, from which it fell to 170 in the first half of 1952 owing to a decline in overseas demand, reduced domestic investment and shortage of power. This decline of output applied to machinery and electrical equipment, but not to the production of transport equipment.

Among other items, production of machine tools has suffered a drastic decline from its war-time peak. In 1951 production was not more than 9,100 units (4,600 tons in weight) as compared with the war-time peak of over 60,000 units. Manufacturing capacity at present is rated at 16,000 to 20,000 tons. There was a slight increase from the second half of 1951 to the first half of 1952. Future prospects depend on the tempo of equipment renovation in other industries.

An industry where overproduction is feared, and where production has actually been falling in the first half of 1952, is the manufacture of textile machines. The 1952 output of spindles is estimated at 1.8 million units as against the total estimated demand of 1.2 million units (two-thirds for domestic consumption and one-third for export). The reported partial lifting of the embargo on exports to mainland China is considered welcome news to the textile machine makers.

Japan is beginning to manufacture TV sets, the number of which is expected to reach 25,000 by the end of September. The only deterring factor is the high cost under the present limited scale of production. Most makers have entered into contracts with leading overseas manufacturing establishments in the United States for the use of their patent rights and for obtaining technical aid.

In India production of selected machinery products showed increases from the second half of 1951 to the first half of 1952 in many items including electric motors, electric transformers, sewing machines, bicycles, etc., but there was a decline of production in some branches, particularly diesel engines. In the meantime, the project for the establishment of the machine tool factory at Jalahalli, near Bangalore, in collaboration with a Swiss concern, has taken more definite shape. Orders for plant and machinery worth about 10 million Swiss francs have been placed and the equipment has started to arrive; a provision of Rs.15 million for the project has been made in the budget estimates for 1952/53.

Chemicals

The production of heavy chemicals in several countries of the region continues to make significant progress. This is especially true of the fertilizer branch of the industry which, in this region, includes only nitrogenous and phosphoratic products. According to an FAO survey¹ based on preliminary data for the period June 1951/July 1952, production of chemical fertilizers in the ECAFE region (excluding China mainland) increased by 20 per cent as compared with the previous year. The outlook for 1952/53 is for further increases of about 12 per cent for nitrogen production and 13 per cent for phosphoric acid production.

The country with the largest production of chemicals including fertilizers, in terms of both quantity and variety of products, is Japan. This situation is likely to remain unchanged for a considerable period despite new or additional capacity in China (Taiwan), India, Pakistan, the Philippines and other countries. Indeed, if fertilizers may be considered typical, the rate of imports by countries of the region other than Japan,

is still increasing even though production in the last four countries is expanding.

The shortage of sulphur,2 perhaps the basic chemical raw material, in those countries which are members of, or cooperate with, the International Materials Conference amounted to 1.3 million tons in 1951. Early in 1952 the deficit for the year, despite increased production, was estimated to be in the neighbourhood of 1.7 million tons.3 But on the strength of later evidence it now seems that the shortage is likely to be of a smaller order. Japan as one of the larger sulphur producers has a balanced supply. India, on the other hand, had been experiencing difficulty, although some improvement was noted during the second half of this year. Effort to increase production of sulphur, thereby increasing fertilizer production, hinges on discovery and utilization of the material in forms other than the elemental state. Thus in India and Pakistan gypsum is being exploited while pyrite has been used in Japan over a long period and is now being experimented with in the Philippines.

For the year ending June 1952 the region produced 510,000 tons of nitrogen contained in fertilizers. This represents an increase of 80,000 tons of nitrogen and is due almost in equal measure to production from the new Sindri ammonium sulphate factory in India (capacity about 70,000 tons per year) 4 and to increased capacity in Japan. India's production amounted to 38,000 tons, Japan's 457,000, while Korea (south) and China (Taiwan) accounted for 300 and 13,850 tons respectively. Ammonium sulphate is by far the major source of fertilizer nitrogen in the region. In India it is probably the exclusive product. Japan produces a wider range including ammonium nitrate, calcium nitrate and cyanamide. The last named is produced in small quantities in Taiwan.

Additions to nitrogen capacity may be expected in Ceylon, Pakistan and the Philippines. The Philippines has its plant under construction with production scheduled for 1953. Its capacity is 50,000 tons of ammonium sulphate (about 10,000 tons of nitrogen). In Ceylon and Pakistan negotiations are being concluded with foreign firms for setting up 80,000 tons ammonium sulphate plants.

Production of phosphoratic fertilizers increased by a larger percentage than nitrogenous fertilizers. Of the total increase of 55,000 tons during 1951/52 Japan accounted for all but a 4,000 tons increase in Taiwan. India's production fell by 1,000 tons, possibly because of the dearth of sulphur. Total production in the region amounted to 310,000 tons.

^{1.} FAO, Fertilizers, A World Report on Consumption and Production,

^{2.} Supra, section on sulphur, Chapter 2, p. 15.

^{3.} International Materials Conference, Report on Operation, 1951-52.

[.] Ammonium sulphate may contain about 18 to 20 per cent nitrogen.

TABLE 3-8
FERTILIZER PRODUCTION IN THE ECAFE REGION

	 								Thousand ton
							1950/51	1951/52 (Estimate)	1952/53 (Outlook)
All fertilizers							684	819	916
Nitrogen (content)	 		 4.0	 	0.0	 	 429	509	567
Phosphoric acid (content)	 	* *	 	 		 	 255	310	349

Source: FAO

It may be of interest to record that Japan's production of calcium superphosphate in February reached 151,800 tons. Subsequently, however, accumulation of stocks began to cause alarm as exports of this fertilizer fell off. From February to August, production has declined from the peak of 151,800 tons to 85,000 tons while inventories have increased over the same period.

It may be recalled that India and Japan made substantial gains during 1951 in the production of caustic soda, soda ash and related products. Since January 1952 Japan's production of caustic soda has decreased by about 20 per cent. There are indications that production will remain below capacity production until at least the third quarter of 1952.

The situation in India is not quite clear. The monthly average of soda ash for the period January-June 1952 was 2,900 tons as compared with a monthly average of 4,000 tons for the full year 1951. In July 1952, production was 4,600 tons. The chief customers for soda ash and caustic soda are the rayon industry and the paper and pulp manufacturers. The recent development of the rayon yarn industry should provide a steady market for these chemicals although disposition of chlorine, a by-product of the electrolytic process, may require special effort.

Small quantities of caustic soda are produced in Taiwan, and in both Ceylon and Pakistan, the Governments have concluded arrangements for the provision of caustic soda plants in connection with DDT manufacturing capacity.

The two main producers of sulphuric acid are Japan and India. Japan's production increased during the first half of 1952 as compared with the second half of 1951, while India's decreased during the same period.

Two plants of 20 and 10 tons per day respectively have been functioning in West Pakistan and a third (of 10 tons per day) is to be set up shortly. Still another 10 ton per day plant is to be built in East Pakistan. Ceylon is also installing a small plant. The Philippines and Taiwan produce small amounts.

Since 1947 the pulp industry in Japan has increased its production from a monthly average of 23,600 tons to one of 90,300 tons, owing to production from newly built or expanded factories. Almost 50 per cent of Japan's prewar pulp capacity was installed outside the main islands and is no longer available to Japan's economy. During 1951 the industry experienced favourable markets and showed an increase over 1950 production of some 45 per cent. From January to May 1952 production was about 10 per cent over the 1951 monthly average.

Some paper pulp is produced in India and Taiwan, but so far as is known, no rayon or chemical fibre pulp is produced outside of Japan. It is possible that the Philippines may implement a proposal for the construction of six pulp and paper mills having a total annual production of 228,000 tons of pulp. Of that amount, 100,000 tons may be converted into paper and the remainder exported.

Textiles.

Cotton textiles. The three major producers of cotton textiles in the region are, in the order of importance, India, Japan and China. Of these, a large portion of the output from Japan, and a smaller portion from India, cater to the export market. China is relatively self-sufficient.

Including China (Taiwan), India, Japan, Korea (south), and Thailand.

Japan's cotton textile industry had increased its capacity when the ban on expansion beyond the 4,000,000 spindle limit was lifted by the SCAP (June 1950). This increase in productive capacity continued in the period under review, but faced with the textile recession, the Government had to take action to reduce cotton textile operation by 40 per cent in March 1952 and a limit was placed on cotton yarn output to around 150,000 bales (from the January peak of 178,000 bales). The subsequent monthly production figures of yarn during 1952 were below this limit which, in view of the gradual reduction in stocks, was raised to 165,000 bales for August and September.

Owing to a significant rise in the 1951/52 crop of raw cotton in *India*, cotton textile output rose on a monthly basis from 51,000 tons of yarn during the first quarter to 52,400 tons during the second, with corresponding increases of cotton cloth output from 324 million metres to 346 million metres during the same period. This represents a higher rate of output than was achieved in 1951. India's cotton textile production was largely absorbed by the domestic market; in fact exports were deliberately restricted in 1951 in order to maintain home supplies. With the easing of the supply position, controls were removed in 1952 (until end September), but overseas demand was too weak to sustain higher export sales.

In the mainland of *China*, taking the "pre-liberation" peak as equal to 100, cotton yarn output during 1952 was planned to surpass the peak by 44 per cent, and cotton cloth output by 61 per cent.

Among other countries, *Pakistan* witnessed a rapid expansion of cotton textile production during the last 4 years, 1948-51, when the annual output of cotton fabrics rose from 6.7 million metres to 9.7 million metres. There are now 32 textile mills in the country, all working double shifts, with 870 power looms. Whereas at the time of partition Pakistan had 177,418 spindles, it now has 333,126 spindles; the target set by the First Industries Conference is 1,350,000. The Prime Minister in the inaugural address on 21 April to the First Session of the Council of Industries stated that in respect of cotton textiles, "we can reasonably hope to become self-sufficient within the next 3 or 4 years." In Burma, Ceylon, Malaya and Thailand, development of cotton

textile industry is evidenced in the recent construction, or proposed construction, of new mills. These countries, like Pakistan, still depend, however, on the import of cotton textiles from India, Japan and the United Kingdom.

Jute manufactures. India, the world's major producer and exporter of jute goods, continued to experience depression in the industry, owing to the slowing-down of demand in major consuming countries. The target of the Planning Commission for 1955/56 is a level of production of 1.2 million tons and a level of export of 1 million tons, compared with about 890,000 tons and 780,000 tons respectively in 1951. The prospect for 1952 export is limited, despite the reduction in the export duty by the Government. On 1 March working hours were reduced from 48 to 42½ per week. The production of substitutes—paper bags—in the United States and elsewhere, and the establishment of new mills in Pakistan and the Philippines were factors contributing to the depression of the industry.

The problem now facing the industry, according to the Chairman of the Indian Jute Mills' Association at the latest annual meeting, is that of modernizing existing plant and machinery. According to one estimate, about 62,000 jute looms are old and require to be replaced at an estimated cost of Rs.700 million.

In Pakistan, the Government aims to set up jute mills with 6,000 looms by June 1955. Three new mills at Narayangunj, East Bengal with 1,000 looms each, to be jointly owned by the Government and a private enterprise, ought to be in full production by 1953. (The first of these mills has gone into production during the current year; a second mill will be in production by the end of 1952, and a third by June 1953). Orders have been placed for another 3,000 looms. The Finance Minister felt that the establishment of jute manufacturing in Pakistan would stabilize prices and bring new employment and prosperity to East Bengal. Emphasis is also laid on improved marketing facilities.

In Thailand, the appreciation of the currency which lowered prices of imported commodities, affected adversely the production of the only modern mili recently established in Bangkok (with Chinese capital).

Chapter 4

THE FURTHER DECLINE OF EXPORT EARNINGS

THE GENERAL VIEW

Owing mainly to the weakness in raw material markets, the total export earnings of the region in the first half of 1952 decreased further from the peak reached in the first half of 1951. The export earnings of fourteen countries of the region totalling \$3,826 million, were 8 per cent below the second half of 1951 and 26 per cent below the first half of 1951 (the boom period). However, export earnings were still 55 per cent higher than in the half year before the outbreak of the Korean war.

The value of exports during the first half of 1952 of most countries listed in Table 4-1 fell below the level it had reached in both the first and the second half of 1951. The exceptions—apart from Japan²—are Burma,

China (Taiwan) where exports were at a higher rate than last year, and Pakistan and the Philippines where they were higher than in the second half of 1951 though lower than in the first half. However, in Pakistan, the total value of exports fell steeply in the second quarter of 1952 on account of the sharp decrease in prices of cotton and jute. Hong Kong's exports were lower not only than those in 1951, but also than those before the outbreak of the Korean war.

The raw material exporting countries generally suffered the heaviest losses. That both prices and quantities of exports of several primary commodities (particularly rubber) declined clearly indicates that the decrease in demand was the dominant factor. The movement of export prices and of the quantity of exports in the same direction aggravated the decrease in total earnings, though this was not the case in all countries. Moreover, the severe price fall placed various export industries in a difficult position as costs of

TABLE 4-1 VALUE OF EXPORTS

(Monthly averages)

Million dollars

	Jan-Jun		1	
	Jan-Jun	Jan-Jun	Jul-Dec	Jan-Jun
aw material surplus countries				
Malaya	66.9	190.2	140.6	111.9
Indonesia	41.7	111.5	98.3	76.3
Pakistana	28.7	79.6	47.6	53.5
Philippines	23.7	40.1	28.2	31.4
Ceylon	22.5	36.0	30.9	29.0
ice surplus countries		140		
Thailandb	19.8	27.7	26.3	25.8
Burma	12.5	19.3	15.1	21.8
Indochina (Cambodia, Laos, Viet-Nam)	5.0	10.2	12.2	11.5
ther countries				
India	88.4	148.4	126.0	112.4
China (Taiwan)c	6.5	9.6	5.9	11.6
Hong Kong	42.3	82.6	47.4	38.5
Y	53.8	110.3	115.5	113.9
	411.8	865.5	694.0	637.6
otal, excluding Japan	358.0	755.2	578.5	523.7

Source: United Nations Statistical Office.

a. For 1950 excluding overland trade (private account only).

b. Source of 1950: IMF; 1951 and later figures based on national trade statistics taking into account the effect of multiple exchange rates. c. Data are from Monthly Economic Review published by the Bank

d. Excluding special procurement.

Not including British Borneo, mainland China, Korea and Nepal for which data are not available.

^{2.} Japan will be dealt with separately in chapter 7.

production, which had risen during the boom period, resisted adjustment. This applies particularly to wages which generally follow the price of food; in the face of rising-or continually high-food prices, wages are rather sticky.

As to the rice surplus countries, Thailand and Indochina produce and export in addition to rice a substantial amount of raw materials, so that the bearishness in raw material markets, especially of rubber, affected their export earnings. However, the major component of their total export is still rice. That the total value of exports of these rice surplus countries decreased during the first half of 1952 is mainly explained by the fact that governments have decided to preserve a part of exportable rice for domestic markets.

The decline in India's total export earnings was mainly attributable to the fall both in the prices and the quantity of exports of tea and of jute manufactures. India's exports of cotton goods, however, were maintained in the first half of 1952.1 The entrepot trade of Hong Kong remained inactive. In addition to the embargo and counter-embargo on trade with the mainland of China, Hong Kong's entrepot trade was hit by the fall in the purchasing power of raw material exporting countries and by the world textile recession.

Several governments in the region have adopted measures to alleviate the decline in exports. Export control was relaxed in India where, among other measures, the destinational control of jute and cotton manufactures was abolished. Export duties in several countries were considerably reduced, notably the duties on cotton, jute and wool in Pakistan, on jute manufactures in India, on rubber, copra and coconut oil, and tea in Indonesia. Those export duties that are levied on a sliding-scale basis, e.g. duties on rubber in Malaya, and on rubber, coconut products and tea in Ceylon, were automatically lowered when prices fell. In Indonesia, the rupiah export rate was changed from 3.80 to 11.40 per dollar.

THE BEARISHNESS IN RAW MATERIAL MARKETS

Raw material markets remained bearish in the first half of 1952. The demand for and the prices of almost all staple raw materials of the region, especially of natural rubber, copra, coconut oil, hides and skins, cotton, hemp and jute, declined further during the period under review. The price of tin, however, was relatively stable as a result of the two trade agreements concluded by the United States with the United Kingdom on behalf of Malaya on the one hand, and with Indonesia on the other. A brief account of changes in several major raw material markets during the first half of 1952 is given below:-

TABLE 4-2 QUANTUM INDEX OF EXPORTS OF SELECTED COMMODITIES OF ECAFE COUNTRIES

(Jan-Jun 1950=100)

	19	1950		19	5 1		1952		
	ш	IV	I	п	ш	IV	1	п	
Tin metal	125	99	81	81	89	90	73	84	
Rubber	129	129	122	125	103	118	117	94	
Hides & skins	73	83	93	114	78	72	75	69	
Jute	143	216	231	122	98	176	205	90	
Cotton	84	36	189	70	16	60	125	90	
Hemp	110	126	161	156	151	107	127	90	
Copra & coconut oil .	152	170	134	150	174	161	134	128	
Tea	131	156	142	111	143	169	124	109	
Sugar	38	51	161	165	40	38	151		
Rice	101	91	123	111	115	89	114	108	

Source: Ruber-International Rubber Study Group. Tin-International Tin Study Group. Tea-International Tea Committee. Others-National statistics.

Based on exports from the following countries: Rubber: North Borneo, Brunei, Burma, Ceylon, Indochina, Indonesia, Malaya, Sarawak, Thailand.
Tin metal: Hong Kong, Malaya (exports from Hong Kong were negligible in 1951 and 1952).

Hides and skins: India.

Jute: Sea-borne exports of Pakistan.

Cotton: India and Pakistan.

Copra and coconut oil: North Borneo, Ceylon, Hong Kong, Indonesia, Malaya, Philippines, Sarawak, Thailand.

Tea: Ceylon, India, Indonesia, Pakistan.

Hemp: Philippines. Sugar: Philippines.

Rice: Burma, Indochina, Thailand.

The sharp contraction of India's exports of cotton fabrics in the second quarter of 1951 was not so much the result of a decline in demand as of deliberate Government action designed to preserve aupplies for the home market.

Natural rubber represents a typical case in which the fall in both prices and quantum of exports since early 1951 indicates clearly that the decline in demand was the basic cause. The demand for rubber had been strongly influenced by stockpiling. Early in the year, it was stated by the President of the United States that the United States stockpiles of natural rubber had reached a high and "safe" level and that it might be possible to begin soon to taper off stockpile purchase of natural rubber.1 This statement, which had an unfavourable effect on the international rubber market, was followed, in early February, by the discontinuation of purchases of five of the lower grades of crude rubber.2 This restriction hit especially Indonesia, the major exporter of low grade rubber. By June 1952, a surplus stock of about 300,000 tons of low grade rubber had accumulated in Indonesian ports. As to high grade rubber, the change in the rupiah export rate and the introduction of the dollar exchange certificate in February have increased the competitive power of the Indonesian product and forced down the price of rubber in Malaya.

The price of rubber in Singapore after a period of moderate fall during the latter half of 1951 dropped sharply during the first half of 1952. In the second quarter of 1952, it was 56 per cent lower than in the first quarter of 1951, the peak period. The volume of rubber exports from the region declined during the same period by 28 per cent.

The decontrol of natural rubber in the United States was welcomed by the producing countries.³ However, rubber was decontrolled on the condition that the consumption of the synthetic product in the United States should not fall below a certain minimum,⁴ and that the Government-built synthetic plants should be kept in peak operation, for shifting quickly to emergency production if necessary. It is only within these limits that natural rubber is allowed to compete with synthetic rubber in the United States market. It was estimated that in 1951 synthetic rubber was preferred for products representing some 25 per cent of the total consumption of new rubber. The preference for natural rubber was about 30-35 per

cent in tyres and other specialities. The remaining 45 per cent or less represented an area of indifference determined by price. The price of general purpose synthetic rubber has been reduced to 23 cents per pound since early March by the United States Reconstruction Finance Corporation (RFC) which controls the synthetic rubber industry. For the natural product the London price at the beginning of December 1952 hovered around 26 d. or approximately 30 cents per pound (RSS).

As in the case of rubber, both prices and volume of exports of copra and coconut oil declined further during the first half of 1952. The prices of copra and coconut oil were about one third below the pre-Korean War level and one half of that in the first quarter of 1951, the peak period. The slackness in demand was due mainly to heavy inventories in importing countries in North America and Europe, to good harvests of cotton and other seed oil crops, and to increasing competition from babassu oil and synthetic detergents.

The prospect of the region's export of copra and coconut oil is rather uncertain. In Western Europe, except Germany, it appears that the per capita consumption is nearly at the pre-war level. In the United States, the development of synthetic detergents produced mainly from petroleum has restricted the use of fats and oils in the soap industry. The annual amount of coconut oil used by the soap industry, as reported by the Soap Institute, was reduced by one half between 1947 and 1950. On the other hand, the annual per capita consumption of synthetic detergents increased from 3 to 8 pounds during the same period.5 The three per cent excise tax on coconut oil imported from the Philippines also reduced its power to compete with other close substitutes produced in the United States. The price decline in copra and coconut products might be more than just temporary, and might reflect a long-term trend.

The slackening in the rate of purchases for stocks since late 1950 has reduced the demand for raw jute. The heavy purchases in the previous season, especially in several European countries, have greatly improved the stock position of foreign manufacturers. Moreover, there was a strong expectation of a very large jute crop in 1952/53, and the competition among the two jute exporting countries, India and Pakistan, was increasing.

A message from the President of the United States to the Congress for the extension of the Rubber Act.

The only exception to the new ruling is rubber offered by Thailand, owing to the buying agreement which the United States Government had concluded with Thailand in 1951.

^{3.} In April 1952, the specification control which limits the amount of natural rubber that may be used in making end-products (with the exception of pale and sole crepe) was revolted. Specific inventory limits for manufacturers were also removed. In June, the importing of rubber was reverted to private business, subject to

^{4.} See Chapter 2, Raw Materials.

The American Chamber of Commerce Journal, Feb 1952. p. 60-20, Manila.

The price of raw jute in East Pakistan thus fell by 40 per cent in the first quarter of 1952 from the peak of the second quarter of 1951. The quantity of raw jute export from Pakistan was 16 per cent lower in the first half of 1952 than in the corresponding period in 1951.

In order to maintain prices of jute at a level which might ensure a fair return to the cultivator, the Government announced in late March 1952 a jute support scheme authorizing the Jute Board to buy jute at fixed minimum price. It is estimated that by the end of May, the Government had purchased about 330,000 bales of jute. Because of the low foreign demand, the Government was unable, however, to take up all the jute offered at the floor price and the minimum price had to be reduced by one fourth. Beginning 1 July, 1952, export duty on raw jute was substantially reduced.

As jute in Pakistan was planted when the price of raw jute was very high, it is expected that the coming new crop will be nearly as big as the previous crop. There is also a sizeable amount of carry-over stock. Meanwhile, India, which normally buys large quantities of Pakistan jute, is well stocked and its own crop in 1952/53 is also expected to be large, as the trade difficulties between these two countries and the special levy on jute export to India2 have stimulated the expansion of jute plantation in India. Moreover, India is planning to promote its own raw jute sales in overseas markets particularly in North America. The lower exchange rate of the Indian rupee in relation to the Pakistan rupee helps India's jute export in competition with that from Pakistan. All these are uncertainty factors in the market outlook for jute.

The upward tendency in prices of raw cotton in Pakistan since October 1951 continued until the end of January 1952.³ However, increased selling pressure caused by larger arrivals from upcountry and the announcement of an Export-Import Bank Loan to Japan for United States cotton purchases during the current season checked the price rise. In addition, there was a substantial reduction of foreign demand mainly because

of the textile recession. The cotton market at Karachi grew uneasy and broke sharply a few days before the end of January, resulting in the closure of the market for a few days toward the end of February. In order to maintain prices, the Government of Pakistan announced a price support scheme on 1 March authorizing the Cotton Board to buy cotton at fixed floor prices. Forward trading in cotton was suspended.

Although the Pakistan Government had by these measures maintained its internal prices of cotton, foreign demand shifted to other sources where prices had fallen more than in Pakistan. Meanwhile, cotton from upcountry continued to arrive in large quantities and heavy stocks were accumulated by both the Cotton Board and private traders. Cotton stocks at Karachi by the end of June were estimated at 550,000 bales as compared to 151,000 bales a year ago.⁵ The position had been aggravated by the abolition of the Egyptian export duty on cotton in May.

With a view to facilitating sales, the Cotton Board of Pakistan had introduced export subsidies since early April. It permitted sales abroad of certain varieties of cotton at prices below the government support levels and agreed to make good the difference to the exporter between the minimum prices and the actual export prices, provided the transactions had prior approval of the Board. The Cotton Board was also authorized to sell, for purposes of export, stocks held by it at 10 per cent lower than the support level. In August, the price support scheme was abolished.

Following the change in the buying policy of the United States, the price of tin metal improved further in early 1952, and remained remarkably stable during the first half of the year. In January 1952, an Anglo-American metals exchange agreement was concluded which involves the repurchase of the Malayan tin metal by the United States. According to this agreement the United Kingdom will in 1952 get about one third more steel and related metals from the United States than was initially announced, and in turn, the United States will get 20,000 long tons of Malayan tin and 55.1 million pounds of Canadian aluminium. The agreed price of tin is \$1.18 per pound, f.o.b. Singapore. The amount of tin metal thus supplied accounted for one third of total Malayan production of this commodity.

For destinations other than India, the reduction ranged from 46 to 57 per cent, depending on the grade. As to export duty of raw jute to India, the net reductions were 11 to 21 per cent, after allowing for the export licensing fee applied to shipments to that country.

^{2.} Jute was excluded from the latest trade agreement between these two countries.

^{3.} The worsening of the Egyption situation and the successive reports of a smaller American crop had helped to maintain a firm tone in the market, which was also supported by the increased demand from Japan and several non-dollar countries. The worsening dollar position of many countries had induced them to divert purchases to Pakistan cotton, at prices well above American partities.

The floor price for fully good 289F Roller ginned cotton of 15/16" staples was fixed at Rs.90/- with appropriate price differences for other varieties and "off" and "on" margins for differential grades.

Report of the Central Board of Directors, State Bank of Pakistan, 1851-52, p. 24. It is also reported that government cotton stocks reached 300,000 bales.

The initial result of the agreement was to raise the domestic price of tin metal in the United States from \$1.03 per pound to \$1.2105 and to raise the price in Singapore by about 10 per cent between December 1951 and February 1952. The steadiness of the Singapore price during the subsequent months was chiefly due to the standing orders placed by the representatives of the British Government in its effort to fulfil the agreement with the United States. Purchase of Malayan tin by other countries, however, showed no increase.

In March another agreement on tin, a medium-term contract, was concluded between Indonesia and the United States, stipulating that the United States would buy 18,000 long tons of Indonesian tin a year.1 This agreement marks an important move in American commercial policy, as it covers a period longer than one year customarily accepted by the United States. For the first two years the price has been fixed at \$1.18 f.o.b. Djakarta per pound which is the same as that agreed with the United Kingdom for the bulk sale of Malayan tin. The price for the third year will be discussed in 1953, in accordance with the market price then prevailing. The agreement also provides for an optional 2,000 long tons annually, which Indonesia is free to sell either to the RFC or on the free market. The amount of tin thus offered by Indonesia accounts for more than 60 per cent of its production.

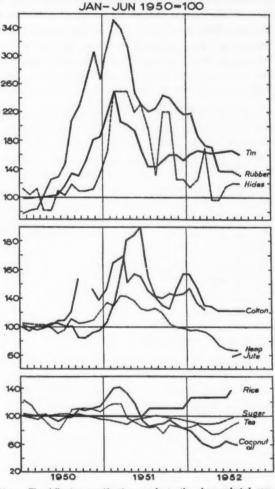
The agreed price should thus set a floor limit to tin prices for the coming two years, and give producers confidence in maintaining and even expanding output.

In early August, the RFC ceased to be the sole importer of tin for the United States. The sixteenmonth ban on private imports of tin ended; and tin metal may be purchased at any price. Controls of the domestic use of tin were also relaxed.² The RFC, however, retained its right to buy and sell tin at the ceiling price of \$1.2105 per pound. The American importers will be able to find customers for their metal only if they can offer it below this level. So far, American traders are not showing inclination to buy even at much lower prices than this.

Meanwhile, the British Government purchases were virtually completed. Demand from Continental Europe was also slack. However, it is generally believed that commercial stocks in the United States are low and it seems unlikely that American traders will be able to stay out of the market for long.

CHART 2

WHOLE SALE PRICE INDICES OF SELECTED EXPORT COMMODITIES



Note: The following specifications apply to the above selected commodities:

Tin
Rubber
Hides
Cotton
Hemp
Jute
hoice. Rice
Sugar

ex-works; Singapore.
R.S.S. No. 1; Singapore.
raw, salted, eow; Calcutta.
raw, 4F Punjab, R.G.; Karachi.
Manila.
raw, middle; Narayangunj.
white, government export price; Burma.

Manila. Medium grown; Colombo.

But should production drop, Indonesia would not be obliged to deliver more than 85 per cent of its production.

Consumers may now buy tin from a supplier of their own choice. They still may not use more than the amount allocated by the government, but can receive allocations for three-month periods rather than month-by-month as before.

ANALYSIS OF EXPORT DECLINE

Raw material exporting countries

The decline in export earnings varied from country to country, because of differences-and changes during the period-in the composition of exports. In Malaya, Indonesia and Pakistan raw materials form a larger share in total exports than in Ceylon and the Philippines where tea and sugar, in addition to several raw materials, are also important items.

The export earnings in dollars of Malaya, Indonesia and Ceylon decreased substantially during the first half of 1952 (see Table 4-1). In Pakistan and the Philippines, the total value of exports in the first half of 1952 was higher than in the previous half year but still lower than in the corresponding period in 1951. In Malaya the decrease in the total value of exports can be explained almost entirely by the fall in the export price and export quantum of rubber which in 1950 accounted for about 60 per cent of Malaya's total exports. In Indonesia, the dollar value of rubber exports during the first half of 1952 did not decrease as much as in Malaya, owing partly to devaluation of the rupiah for export¹ in February 1952 which stimulated Indonesia's rubber exports. In Pakistan, export of jute and cotton usually accounted for about 80 per cent of the total value of exports. In the second quarter, prices, quantity and value of jute and cotton exports were substantially reduced, and the total value of exports fell by more than one half from the first quarter. The decline continued in the third quarter (cf. Table 4-4).

Compared with the first half of 1951 (the boom period) so as to avoid seasonal variations, the decrease in total export earnings in dollars of these three major raw material exporting countries was especially striking. The decrease was a result of the fall in both prices and quantum of exports. For Malaya, statistics show that the 41 per cent decrease in total export earnings was the combined result of a 30 per cent fall in export prices and a 19 per cent reduction in the quantity of exports. In Indonesia and Pakistan, export volumes are also likely to have declined along with the fall in export prices.

In Ceylon, the decrease in total export earnings during the first half of 1952 would have been larger but for the stability of tea exports. In fact, the value of tea exports slightly increased because a larger export quantum more than offset the price fall. This, however, was partly seasonal. For nine months, the price of tea had been fairly stable, but fell substantially in March 1952. It rose again since June, but in August it was still below the pre-Korean war level. The fall in tea prices was due not so much to a decline in demand as to the marked increase in output in almost all the principal producing countries. The world demand for tea showed no significant deterioration; it may improve in the near future on account of the abolition of tea rationing in the United Kingdom,2 the world's largest importer. However, prices of tea have declined to a level at which a number of plantations are actually working at a loss not only in Ceylon but also in other tea exporting countries in the region, e.g. India, Indonesia and Pakistan. The relatively high costs of production mainly reflect wage increases during the boom.3 In Indonesia, several tea estates are reported to have closed down because of this unfavourable price cost development.

In the Philippines, the rise in exports in the first half of 1952 compared with the previous half year was due almost entirely to the considerable increase in sugar exports. For the first time in postwar Philippine trade sugar and related products outranked coconut products as the leading export, thus regaining their pre-war position.4 Exports of centrifugal sugar in the first half of 1952 were 28 per cent greater in volume and 26 per cent higher in value than in the first half of 1951. The production of sugar in the crop year 1952 increased by about 12 per cent. However, as sugar exports are seasonally low in the second half of the year, total exports during the remainder of the year are unlikely to reach the level of the first six months. Besides the general weakness of world prices and the slack demand for Philippine export products, the growing dollar shortage and the increasing competition from soft currency areas are of particular significance to the future of Philippine exports.

Unlike in Malaya (and probably also Indonesia and Pakistan), prices and quantum of exports in Ceylon and the Philippines moved in opposite directions, which mitigated the change (fall) in export proceeds. Thus the 20 per cent decrease in the total export earnings of Ceylon in the first half of 1952 as compared with the first half of 1951 was the result of a 25 per cent fall in export prices accompanied by an increase of 9 per cent in the quantity of exports. Similarly, in the Philippines, the 21 per cent decrease in export proceeds was the result of a 23 per cent fall in export prices accompanied by an increase of 7 per cent in the quantum of exports.

^{1.} The effective rate of exchange applied to imports was not changed.

See Chapter 1 on Foodstuffs.

Recently there have been wage reductions. See Chapter 8.

Sugar and related products made up 36 per cent of the total export value during the first half of 1952, followed by 29 per cent for coconut and preparations, and 16 per cent for abaca and manu-

TABLE 4-3

INDICES OF UNIT VALUE, OF QUANTUM AND OF TOTAL VALUE OF EXPORTS^a

(Jan-Jun 1950=100)

									19	5 1		19	5 2	
									Jan-Jun	Jul-Dec	Jan-Jun	Jul	Aug	Sep
MALAYA												_	120	
Unit value									231	177	161		138 106	
Quantum									126	119	102		106	
Total value									285	211	168	152	159	155
NDONESIAb														
Unit value									218	182	381	378	382	350
Total valued									268	235	466	577	489	4321
CEYLONE					• •			• •			100	0//	400	102
									142	101	107			100
Unit value	0 0	0.0	0 0		0 0		0 0	0 0	111	124 111	107	94	97	100
Quantum Total value (dom								162	138	122	123 107	117	116 111
Toldi value (dom	esuc)			* *	0.0			104	130	120	107	109	111
PHILIPPINES														
Unit value									122	113	94	81	82	92
Quantum									140	106	150	165	122	102
Total value									169	119	133	115	111	78
NDOCHINA (Ca	mbo	dia.	Laos	, Vi	et-No	m)								
Unit value									141	153	160e			
Quantum									146	164	153e			
Total value	0.0								206	246	230		**	
INDIA														
Unit value									133	160	132	112	108	107
Quantum									127	85	97	110	118	104
Total value									165	138	121	125	128	113

Note: Value indices are computed directly from value figures, and will not necessarily equal quantum times unit value.

- a. Indices are based on value of exports in national currencies.
- b. Figures for Apr 1950-Feb 1952 exclude the value of exchange certificates. The rise in 1952 is principally due to the change in the conversion rate of the rupiah in Feb from 3.80 (excluding the value of the exchange certificate) to 11.40 per dollar.
- Weighted wholesale price index of 18 export products at f.o.b. prices.
- d. Including exports of petroleum.
- e. First quarter only.
- f. Land-borne exports excluded.
- g. Domestic exports only.

Rice exporting countries

The rice-surplus countries have been much less affected by the recent changes in international markets than those surveyed above. Burma, where 80 per cent of total export earnings are derived from rice, was the least affected. It was followed by Thailand with 50 per cent and the three States of Indochina where the share of rice in total exports before the raw material boom was 50 per cent and 30 per cent respectively. While markets of most primary commodities were weak, rice has been one of the outstanding exceptions. The export prices of rice were raised in early 1952, the season when bulk trading contracts on rice are negotiated and concluded between governments, as demand was strong while allocations by exporting governments were reduced.

In Burma, early in the year, one half of the exportable surplus of rice was allocated for the first half of 1952. Two-thirds of the year's export will be undertaken by the government and one-third by private traders, as compared with 90 per cent and 10 per cent respectively in 1951. The export prices of rice on a governmentto-government basis were fixed for each half year, and in the first half of 1952 they were about 11 per cent higher than in the second half of 1951. Rice for export by private traders is also provided, through tenders, by the State Agricultural Marketing Board; the price paid by traders may change from time to time depending on bids of those submitting tenders in foreign exchange. Under present conditions this price is always higher, usually by about 10 per cent, than the government trade agreement prices, thus bringing to the State Agricultural

TABLE 4-4

TOTAL VALUE OF EXPORTS AND VALUE OF EXPORTS OF SELECTED COMMODITIES OF SELECTED ECAFE COUNTRIES

(Monthly averages)

	1950	19	51		1 9	5 2	
	Jan-Jun	Jan-Jun	Jul-Dec	Jan-Jun	Jul	Aug	Sep
aw material exporting countries							
MALAYA (mn. M\$)							
Rubber	99	396	264	184	133	137	127
Tin	32	54	42	41	49	45	55
Others	74	131	124	118	129	142	135
Total exports (including re-export)	204	582	430	342	311	324	317
INDONESIA (mn. Rp.)a							
Rubber	46	245	169	377	443	290	151
Tin	16	22	29	62	69	125	103
Copra	16	41	41	51	36	34	26
Others	38	66	90	115	167	**	**
Total exports (excluding petroleum	177	373	319	605	715		
& petroleum products) Total exports (including petroleum	1//	373	313		-	**	**
& petroleum products)	158	423	371	737	909	822	
PAKISTAN (mn. Rs.)							
Cotton, raw	45	123	37	92	44p	68p	15
Jute, raw	32	61	58	60	14p	15p	34
Others	18	35	19	161	12p 70	15p 98	
Total exports (including re-exports)	99	220	115	101	70	30	48
CEYLON (mn. Rs.)					-		
Tea	62	72	62	64	69	62	58
Rubber	20	56	41	38	13 19	23	28
Coconut & products	12	26	28	7	7	19	19
Others	101	11 165	140	129	108	110	112
Total exports (domestic)	101	103	140	120	100	110	112
PHILIPPINES (mn. Pesos)	10	34	26	18p			
Copra & coconut oil	18	18	5	16p			**
Sugar	6	13	10	9p			**
Others	12	16	16	18p			**
Total exports (including re-export)	47	80	56	63	54	52	37
ice exporting countries							
BURMA (mn. K.)b							
Rice and rice products	52	70	50	77	86	40	28
Others	7	21	21	26	13	13	8
Total exports (domestic)	59	92	72	104	99	53	37
INDOCHINA (Cambodia, Laos,							
Viet-Nam) (mn. Pr.)	077	105	100	72			
Rubber	37 29	105	85	104		**	
Rice	36	44	67	61			
Total exports (special)	102	211	252	236			
THAILAND (mn. Baht)							
Rice ^c		157	156	153	166	147	17
Rubber	19	121	94	98	82	87	
Tin	17	23	14	19	17	15	
Others	• •	77	104	76	54	50	
Total exports (including re-export)	275	377	368	345	319	299	
ther countries							
CHINA (Taiwan) (mn. N.T.\$)							
Sugar	37	82	15	108	58	4	
Rice	_	7	16	10	20	52	
Others	6	24	39	32	38	42	
Total net exports	43	112	69	151	116	98	
INDIA (mn. Rs.)d	88	TAA	000	100	100	100	2.4
Jute yarn & manufactures	99	168	233	169	130 71	103 105	10
Cotton yarn & manufactures	89 40	118	97	52 53	69	78	9
Tea Others	178	316	205	224	244	242	19
Others				202	644	646	1 40

a. Figures for Apr 1950-Feb 1952 exclude the value of exchange certificates. The rise in 1952 is principally due to the change in the conversion rate of the rupiah in Feb from 3.80 (excluding the value of the exchange certificate) to 11.40 per dollar.

Figures for Jul-Sep 1952 relate to the port of Rangoon only.
 Port of Bangkok only.
 Excluding overland trade.
 Provisional.

Marketing Board a larger profit per ton from its supply to private traders than from its direct sales to foreign countries. Even if the total quantity of rice exports should not be larger in 1952 than in 1951, Burma's total foreign exchange earnings will benefit from the higher export prices.

In Thailand, the baht value of rice export during the first half of 1952 was slightly lower than in both half year periods of 1951. It was predicted at one time that the exportable surplus of Thailand in 1952 would amount to 1.6 million tons. However, the government only allocated 800,000 tons of rice for export for the first ten months, the remainder to be kept as a reserve against possible local shortages and international disturbances. A small part of this reserved stock was released for export by October 1952. The allocations made in March were less than what had been wanted by the governments of importing countries, and prices were raised. For 35 per cent broken rice the ex-mill price was raised by 7.4 per cent above that for 1951. Prices for other grades were also adjusted. Export prices of private rice rose even more than this.1

Other exports from Thailand show a declining trend since the first half of 1951, partly on account of the fall in the world price of the commodities concerned and recently only because of the currency appreciation which, at given world prices, reduces the baht proceeds of Thailand's exports (see table 4-4).

Both the quantum and value of exports from the three states of *Indochina* decreased slightly during the first two quarters of 1952, on account of the low level of export of rubber and rice. The value of rubber exports declined because of the decline in foreign demand and prices, while rice exports dropped owing to export restrictions.

It is reported that Viet-Nam and Cambodia expect to export at least 500,000 tons of rice this year with 60 per cent from Cambodia and the remainder from south Viet-Nam.

Whereas the centralized purchase of rice in Burma and the penalty exchange rate for export rice in Thailand have isolated—in the one case fully, in the other partly —the internal price of rice from the export price, this is not so in Indochina where the strong foreign demand has brought about rapid increases in the internal price of rice. At the end of May, 1952, rice prices in Saigon were reported to be 50 per cent higher than a year ago. As a counter-measure, both Viet-Nam and Cambodia imposed embargoes on rice exports in late May, but the export ban had little effect on prices.

Other countries

In Taiwan, China,² rice counts less in total exports than sugar. The considerable increase in total exports for the first half year of 1952 was due to the (largely seasonal) expansion in sugar exports. While sugar exports will be much less, as usual, in the second half of the year, rice exports will increase. The first crop of rice was satisfactory, and exports will make more headway with the harvest of the second crop.

In India, the total export earnings decreased further in the first half of 1952 when they were about 11 per cent lower than in the second half of 1951. The increase in the quantity of exports could not offset the substantial fall in export prices. But in comparison with the first half of 1951 it was the fall in the quantum of exports rather than in prices which accounts for the lower export proceeds in the first six months of 1952.

The decrease in India's export earnings during the first half of 1952 was concentrated in the second quarter and was due mainly to the decrease in exports of "food, drink and tobacco" and "manufactured articles." Among the former, the decrease in tea exports was striking. It was due partly to the fall in prices and partly to the reduction in the quantity of export.

Jute manufactures, the largest export item, accounted in 1948 for more than one-third of India's total value of exports. Since October 1951 world demand for India's jute manufactures slackened. At the same time, the high export duties raised selling prices abroad. Substitutes were increasingly used in the United States and exports of jute manufactures from Continental Europe competed strongly with India's exports.

In order to enable the industry to improve its competitive position, the export duty on hessian was reduced by 50 per cent in February 1952. Foreign demand did not recover, however, with the result that stocks of jute manufactures remained high and that prices continued to decline. As a consequence the jute mills in India were forced to curtail production.

^{1.} Shipments of rice from Thailand were comparatively low during Feb and Mar, the normal peak shipment period, owing mainly to efforts of millers and merchants to hold rice and paddy for better prices which not only affected the local rice supply and prices, but also made it difficult for the Rice Bureau to secure enough rice to meet foreign contract commitments. As a result, the government had to impose an embargo against all private rice exports effective from 25 Feb. After seven days, the embargo was lifted and no 12 Apr, the Government announced an inducement measure for supplying rice to the Rice Bureau by permitting one ton of rice for private export for the supply of every 4.5 tons to the Rice Bureau. This measure worked out very satisfactorily and within a short time brought in more than 100,000 tons of rice to the Government.

No new information on international trade in the mainland of China other than what was given in the last Survey is available.

In order to promote exports, the quota restrictions on exports to soft currency countries were removed at the end of July, and licences are now issued freely. In early May, export duties on jute manufactures were again reduced, for hessian by about 73 per cent.¹ Since this drastic reduction of the export duty, Indian exporters have been able to underbid competitors on the Continent of Europe.

It seems that the world slump in textile markets did not affect India as much as other industrialized countries. The value of export of cotton yarn and manufactures—another large item in India's exports—maintained its level during the first half of 1952, through a moderate increase in the quantity of exports. Com-

pared with 1950 and early 1951 the level of exports is low, however. Exports of cotton goods were deliberately restricted in 1951, with a view to maintaining domestic consumption. Recently, as a result of the decline in foreign demand and the improvement in domestic supply, quotas by destinations have been lifted for the time being. Restrictions on the export of cotton piecegoods to entrepot ports have been removed. The competitive position of the Indian industry in relation to other leading exporters is still relatively favourable—though India's price advantage is now smaller than in 1950—but demand is still weak.

For jute hessian, the export duty was reduced from Rs.750 to Rs.275 per ton, for jute sacking from Rs.250 to Rs.173.

Chapter 5

DIVERGENT MOVEMENTS OF IMPORTS

CHANGES IN LEVEL AND COMPOSITION OF IMPORTS

The total imports of 14 countries of the ECAFE region¹ during the first half of 1952 amounted to \$4,750 million; this was slightly less than in the preceding half year but still 9 per cent above the corresponding period in 1951 and 89 per cent above the half year period preceding the Korean war. Compared with the second half of 1951, the value of imports decreased in Malaya, Indonesia, the Philippines and Hong Kong, but increased in all other countries. Compared with the first half of 1951, imports were lower in Malaya, Hong Kong and Japan (See Table 5-1).

Many factors accounted for these divergent move-

ments. The extra-ordinary increase in exports during 1950-51 had given rise to an increase of money income in several raw material exporting countries, and this had resulted in an expansion of imports. Morever, the increased availability of foreign exchange had made possible the relaxation of import controls. With the abatement of the boom, exports and money incomes fell in many countries and import controls were tightened again. Overstocking of some commodities, especially textiles, tended to act as an additional brake on import However, the actually recorded imports during the first half of 1952 reflect the demand for them at the time when orders were placed, and when the factors mentioned above had not yet fully made themselves felt. The difference in the degree of the previous income expansion, in the timing of changes in import and exchange controls, and in inventory levels largely explain the divergent movements in imports.

TABLE 5-1 VALUE OF IMPORTS

(Monthly average)

Million dollars

	1950	1 9	5 1	1952
	Jan-Jun	Jan-Jun	Jul-Dec	Jan-Jur
law material surplus countries				
Malaya	60.9 24.5 22.7	135.6 44.0 41.9	123.3 90.3 47.2	110.8 68.8 60.2
Philippines ^b	31.2 19.8	34.5 27.0	45.5 27.6	36.5 31.2
Rice surplus countries				
Thailande	15.2 6.8 14.0	18.7 10.3 19.8	19.4 12.6 31.0	28.8 14.5 39.5
Other countries				
China (Taiwan)d	7.7 48.8	6.1 75.7	7.9 67.0	9.8 54.3
India	87.5 80.8	136.8	158.3 164.8	171.7
Japan Total Total, szciuding Japan	419.9 339.1	726.3 550.4	794.9 630.1	791.6 626.1

Source: United Nations Statistical Office.

a. For 1950, excluding overland trade (private account only).

b. Imports valued f.o.b.

c. Source of 1950 figures: IMF; 1951 and later figures based on national trade statistics taking into account the effect of multiple exchange rates.

d. Excluding MSA/ECA imports. Data are from Bank of China.

Not including British Bornes, mainland China, Korea and Nepal for which data are not available.

TABLE 5-2
INDICES* OF UNIT VALUE, OF QUANTUM AND OF TOTAL VALUE OF IMPORTS

(Jan-Jun 1950=100)

												Unit value	Quantum	Total value
MALAYA														
1951	Jan-Jun	 			 					4.4		145	155	223
	Jul-Dec	 			 * *				* *			141	144	202
1952	Jan-Jun	 			 		* *	* *				131	140	182
CEYLON														
1951	Jan-Jun	 			 							114	122	137
2002	Jul-Dec	 			 							133	106	139
1952	Jan-Jun	 			 		* *				* *	139	117	159
PHILIPPIN	ES													
1951		 			 							121	89	109
1001	Jul-Dec				 						**	137	105	142
1952	Jan-Jun			* *	 * *						* *	125	92	115
INDOCHI	NA													
1951	Jan-Jun	 			 							107	125	142
2001	Jul-Dec	 			 							117	179	222
1952	Jan-Jun		**		 	* *					**		* *	282
INDIAb														
1951	Icm-Iun				 							124	122	150
1301	Jul-Dec	 			 							125	139	171
1952	Jan-Jun	 			 							130	153	200

a. Indices are based on value of imports in national currencies.

b. Overland trade excluded.

Another factor which is relevant in this context is the commodity structure of imports. In food deficit countries, such as Ceylon and India, the need for food imports is of paramount importance. As the demand for food is generally inelastic, a large change in disposable income may be accompanied by a small change in food imports. Furthermore, a crop failure within the country will result in an increase in food imports, although national income may fall. Imports of manufactured consumption goods, which constitute a substantial part of the total imports in most countries of the region, however, are sensitive to changes in income and inventories. Imports of raw materials which are highly responsive to changes in industrial production and in inventory are important only in India, Japan¹ and Malaya.

Among the countries which showed larger imports, the increase was mainly on account of food imports in India and Ceylon, and on account of manufactured goods in Burma and Pakistan. In Thailand, the appreciation of the baht on the free market was probably the chief factor making for higher imports, while in China (Taiwan) and in the three states of Indochina the expansion of money incomes may have been decisive.

In India the increase in imports of "food, drink and tobacco" (of which food grains occupied a large share), which as compared with 1951 accounted for about 70 per cent of the total value increase in imports, was the result of larger volume and higher prices. The volume and value of raw material imports also increased because of the expansion in industrial production. (See Table 5-3). The value of imports of manufactured commodities showed very little change from the second half of 1951, but imports of durable goods increased at the expense of consumer's goods. The increase in the import of several raw materials and manufactured goods was made possible by the relaxation in import control. For example, kerosene oil, petroleum, chemicals, drugs and medicines, electric machinery, prime movers and fuel oil are considered as essential items, and were imported more freely when import restrictions had been relaxed towards the end of 1951 and in early 1952.

^{1.} Japan will be dealt with in chapter 7.

TABLE 5-3

INDIA: VALUE OF IMPORTS*

(Monthly average)

Million rupees

	1950	1 9	5 1	1952
Commo	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun
Groups .				
All commodities	450	599	684	788
Food, drink and tobaccob	93	139	219	274 232
Raw materials and semi-manufactures	145	190	184	232
Manufactures	210	267	276	271

a. Overland trade excluded.

TABLE 5-4

INDIA: INDICES OF UNIT VALUE AND OF QUANTUM OF IMPORTSA

(Jan-Jun 1950=100)

	1950	1 9	5 1	1952	
Groups Unit value	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	
All commodities	103 102 105 105	125 105 144 127	125 123 135 122	130 132 124 130	
Quantum					
All commodities	111 146 92 117	122 210 85 121	139 283 90 130	154 327 122 120	

a. Overland trade excluded.

Ceylon is another food deficit country.¹ But unlike India, Ceylon has only limited manufacturing facilities and has to import a substantial amount of manufactured goods from abroad. During the first half of 1952, one half of the increase in the total value of imports was accounted for by the increase in food items whose prices had risen substantially, while the other half consisted of manufactured goods, particularly vehicles, for which orders had generally been placed in 1951 or even earlier.

In Burma, the more liberal import policy was the chief factor in the expansion of imports. The rise in the value of imports during the first half of 1952, as compared with 1951, was due largely to the increase in imports both under open general licence and under special licences.

The total value of imports of Pakistan increased

In Thailand, where import control is not extensive, changes in imports mainly reflect changes in international prices, exchange rates and in national income. In February, the Bank of Thailand lowered its selling rates of pound sterling to commercial banks from 51 to 45 bahts, which is equivalent to an appreciation of the baht by 11.8 per cent. As this rate was the predominant rate of exchange for commercial imports, it had the effect of stimulating imports by making them cheaper

b. Excludes value of certain consignments of food grains and stores imported on government account pending adjustments.

during the first half year. Among the various items, imports of cotton textiles, machinery and vehicles increased substantially. The main factors making for higher imports were: (a) the resumption of trade relations with India resulting in a normal inflow of commodities from that country, (b) a liberal import licensing policy as effective 1 July, 1951, which helped to translate increased internal incomes into a rising demand for imports.

In 1938, food imports accounted for about 40 per cent of Ceylon's total imports.

in terms of local currency. However, on 1 April, the government announced that import duties be evaluated on invoices in baht, by the use of free market exchange rates instead of official rates. This change which resulted in an increase in the duty, made imported goods dearer and partly offset the effect of the currency appreciation on the free market. During the first half of 1952, the dollar value of imports increased by 48 per cent from the previous half year; this increase added further to already heavy stocks.1

Among the countries which showed a decrease both in the volume and value of imports during the first half of 1952, the decrease in raw material imports was important in Malaya and that of consumption goods (chiefly manufactured) in the Philippines and probably also in Indonesia. The decrease in trade in Hong Kong was referred to in the proceding chapter.

In Malaya, where Singapore is not only an entrepot, but also a processing centre for raw materials, the reduction in the total value of imports during the first half of 1952 was largely due to the fall in both prices and quantity of raw materials including rubber imported for processing and re-export.

In the Philippines imports declined chiefly as a result of lower imports of consumption goods. The decrease is only partly attributable to the reduction in the foreign exchange allocation for imports of controlled commodities. The fact that there was also a reduction in imports of decontrolled commodities and that imports of a number of controlled articles were below the permitted level indicates that the demand for imports had declined; this is explained by overstocking and, perhaps, by a decrease in disposable income. For example, the reduction in imports of dairy products and canned meat which were not under control was clearly due to over-stocking. On the other hand, the value of imports of raw materials and capital goods increased because of high requirements of local industries.

In Indonesia, although the value of imports in terms of local currency increased, it decreased in terms of dollars, as there was a change in the valuation of trade.2 The dollar value of imports in Indonesia during the first half of 1952 fell by about 26 per cent from the previous half year. Fewer textiles and basic metals were imported partly because of over-stocking.3 Expenditure on food imports was maintained, but as food prices have risen, the volume of food imports must have been reduced.

IMPORTS OF CAPITAL GOODS

The value of imports of capital goods into 12 countries4 of the region from the United States and the United Kingdom continued to increase during the first half of 1952. The unit value of finished manufactures exported from the United States rose only slightly during the period, but the U.K. unit value index of exports of metals and engineering products rose by 6 per cent from the second half of 1951 and was 26 per cent higher than before the Korean war. After correcting for price changes, imports of capital goods from the United States during the first half of 1952 increased by 3.5 per cent as compared with the second half of 1951, and were 17 per cent larger than during the half year preceding the Korean war. This increase probably reflects the orders placed during the boom period 1-11/2 years ago. Capital goods imports at constant prices from the United Kingdom, however, were just maintained, but they were still about 8 per cent higher than before the Korean war.5 Preliminary information shows that imports of capital goods from Japan during the first quarter of 1952 decreased both in value and volume, and the absolute amount was very small as compared with those from the United States and the United Kingdom.

The market in Bangkok is at present reported to be over-stocked in many lines of consumer goods, including pharmaceuticals, hardware, textiles and bicycles. Dealers in pharmaceuticals are especially hard hit, and were at one time reported to be clearing stock at 10 per cent below cost price. The shortage of liquid funds also forced merchants to sell at very low prices.

The previous effective exchange rate including the value of exchange certificate was considered as official rate since February 1952 and the exchange rate used for import valuation was also changed from the old official rate (excluding the value of exchange certificate) to the new official rate, thus representing a two-fold increase.

Signs of congestion of imported commodities, especially textiles, at main distribution centres in Java and at ports were already evident in late 1950. During October 1951, prices of textiles were generally 30 to 40 per cent below the year's peak. Domestic textile industry was, therefore, adversely affected and assistance was given by the government through placing government orders for civilian and military requirements. However, throughout the first half of 1952, little improvement was shown in the market for imported commodities. Many wholesale and retail lines continued to move sluggishly, and, in a number of cases, cheaper textiles were unloaded at losses running as high as 40 per cent. Hardware, paper, ironware and Chinaware were also depressed, dealers commonly taking 10 to 20 per cent losses. The "benteng" group, or Indonesian newcomer merchants with small capital but receiving specially favourable treatment in imports from the government, were virtually bankrupt, and it would be difficult for most of them to start business again because of the dissipation of their capital. Benteng merchants handling textiles suffered the most, while those handling technical goods, such as building materials, were best able to maintain their position.

Burma, Ceylon, Hong Kong, India the three states of Indochina,

Burma, Ceylon, Hong Kong, India the three states of Indochina, Indonesia, Malaya, Pakistan, the Philippines and Thailand.

The index of unit value of exports of the United Kingdom for 1949, taking Jan.—Jun. 1950 equal to 1, published in the Economic Bulletin for Ania and the Far East, volume 2, No. 2, page 17. Table 5, should read 1.29, instead of 0.97 and the total value of development goods at Jan.—Jun. 1950 prices, exported from the United Kingdom to the countries in the region in the same table, should read 190.6 instead of 129.8.

TABLE 5-5

EXPORTS OF SELECTED GROUPS OF DURABLE GOODS BY THE UNITED KINGDOM, UNITED STATES AND JAPAN TO TWELVE ECAFE COUNTRIES

(Monthly average)

Million dollars

				1 9	5 0	1 9	5 1	1952
				Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun
From the United Kingdom								
Metal and manufactures				 6.7	7.1	7.2	6.9	7.9
Electrical goods & apparatus				 3.5	3.4	4.1	5.2	5.6
Machinery & parts thereof				 13.9	12.2	13.3	15.4	16.9
Vehicles				 9.2	10.7	13.7	15.3	14.9
Total				 33.4	33.5	38.3	42.7	45.3
Unit value index of metal man	nufo	ictui	esa					
(Jan-Jun 1950=100)				 100	102	109	119	126
Total at Jan-Jun 1950 prices	* *			 33.4	32.8	35.1	35.9	36.0
From the United Statesb								
Metal and manufactures				 4.6	4.2	3.8	4.9	5.5
Electrical goods & apparatus				 2.8	1.9	2.5	4.0	4.4
Machinery & parts thereof				 8.1	4.2	6.8	7.6	8.0
Vehicles				 4.5	4.1	6.5	9.3	9.0
Total				 20.0	14.4	19.7	25.8	26.9
Unit value index of exports								-
(Jan-Jun 1950=100)				 100	104	113	114	115
Total at Jan-Jun 1950 prices				 20.0	13.8	17.4	22.6	23.4
From Japan								
Metal and manufactures				 				
Electrical goods & apparatus				 				
** **		0.0		 1.4	3.3	4.1	4.0	2.0c
27 1 . 1				 				
Total				 1.4	3.3	4.1	4.0	2.0c
Unit value index of exports								
(Jan-Dec 1950 = 100)				 1	100	152	175	161p
Total at Jan-Dec 1950 prices				 1.4	3.3	2.7	2.3	1.2

U.S. Bureau of Census, U.K. Customs and Excise and Japan Economic Council Board.

Includes metals and engineering products.

c. Jan.-Mar. or the United States unit value index of exports of finished anufactures is used. Provisional.

Among the various groups of goods listed in table 5-5, imports of vehicles from the United States and the United Kingdom which had increased considerably during 1951 declined in 1952, while imports of metal and metal manufactures, electrical goods and apparatus, and machinery and parts increased.

During the postwar years British exports of capital goods to the region consisted largely of textile machinery chiefly for India and Pakistan, whereas the United States supplied mainly food processing machinery to the Philippines and India, construction machinery to India and Indonesia, and power generating plant to India, Indonesia and the Philippines. Japan exported textile machinery to Pakistan, internal combustion engines to India, and ships to the Philippines. Malaya and Indonesia imported mainly transport equipment, especially commercial vehicles. In Pakistan, textile machinery was the leading import item, reflecting the drive to build up the textile industry of the country.1

Sterling area countries of the region have imported capital goods mainly from the United Kingdom, while the Philippines and Indonesia have imported such goods mainly from the United States. Thailand has been the only country in the region where European and American exports could compete fairly freely. Its imports of capital goods from the United States which had been negligible before the war increased considerably during the post-war years and exceeded by far those from the United Kingdom in the first half of 1952. During this period exports of capital goods from the United Kingdom

ECAFE document on Trade between the ECAFE region and Europe (E/CN.11/TP/8), chapter III.

and the United States to most countries of the region showed an increase in volume, but those to India and Hong Kong a decrease.

Japan as a supplier has so far shared only very little in the increased demand of the countries of the region for machinery and equipment, although Japanese production of a majority of engineering items considerably exceeded pre-war levels in 1951. Domestic needs for rehabilitation and modernization, so far, absorbed almost the whole of Japan's output. The weak competitive position of Japanese products on account of high costs has been another retarding factor. However, so far as delivery periods are concerned, Japan compared favourably with the United States and the United Kingdom.

Exports of capital goods from Germany to the ECAFE region (excluding China and Hong Kong) increased sharply and exceeded the pre-war level, but still lagged far behind the two major supplying countries.¹ The increase in German exports resulted mainly from the revival and rapid progress of engineering production, from the shift of orders from the United Kingdom to Germany on account of the more normal delivery periods in the latter country, and from Germany's improved access to markets due to the spreading network of trade agreements and to greater sterling transferability through the European Payments Union.

The future development of imports of capital goods into countries of the region depends on the rate at which development plans get under way, and the extent to which foreign finance will be available. There are no signs that the present fall in export earnings and in government revenues is retarding development activities and the new import restrictions are not so much on capital goods as on consumption goods.

The Colombo Plan gives some indication of the probable trend of capital goods imports for an important part of the region. The expected direct increase in imports of capital goods resulting from the implementation of these plans was estimated, for the four Commonwealth countries, i.e. Ceylon, Malaya, India and Pakistan, at some \$200 million annually. This figure may be compared with the total value (at constant prices) of imports of capital goods into these countries from Europe, the United States and Japan in 1950, which amounted to \$550 million. It would appear from this comparison that the development envisaged in the Colombo Plan means a comparatively large addition to the imports of capital goods from industrial countries.²

IMPORT POLICY

With the collapse of the commodity boom in early 1951, the balance of payments position of many countries in the region started to deteriorate. As the foreign exchange reserves of the countries in the region are rather small, and prospects for export markets still uncertain, many governments have adopted measures to restrict imports, in order to make the best use of their limited foreign exchange resources. In the Philippines, foreign exchange allocations for imports were reduced. In the sterling area countries, import restrictions were tightened, especially in view of the deterioration in the reserve position of the sterling area as a whole. In Pakistan, restriction of imports by increased import duties was adopted in addition to direct controls. In Indonesia, both quantitative restriction and restriction through devaluation-cum-multiple-exchange-rates were carried out.

The tightening of quantitative import restrictions

The deterioration in the reserve position of the sterling area as a whole in early 1952 had caused concern to almost all countries in the area. As members of the sterling area, Ceylon, India, Malaya and Pakistan tightened their controls particularly over imports from the dollar area. Ceylon in late August removed 19 dollar items from open general licence, including textiles, radios and wireless accessories, and refrigerators. Four weeks later, Ceylon announced further import restrictions for a variety of goods, mainly from the dollar area and the non-sterling EPU countries.

India adopted stricter import control for the second half of 1952, particularly with respect to goods from the dollar area. Nearly 50 items from the dollar area under open general licence have now been transferred to the soft currency open general licence. In October India put a ban on the import of 61 items including bicycles, razor blades, radio sets, china and porcelain.

In March 1952, the government of Pakistan tightened import licensing for the dollar area. Fifteen categories of commodities that previously could be imported from the dollar area have been excluded from the new list of licensable imports from that area. There was a tendency to remove from such list, those items that can be readily obtained from soft currency areas or from countries with which Pakistan has concluded trade agreements. In August, import controls were again tightened, mainly for goods imported from non-dollar areas; about 40 items were removed from the open general licence list, including cotton yarn and piecegoods, jute manufactures, matches, bicycles, paper

and timber. Items not on the open general licence list were licensed within the limit of foreign exchange allocated and released by the government. In November the Government went still further by suspending O.G.L. No. 14 under which items such as metals, machinery, cement and chemicals could be imported freely. The Government have made it clear however that this measure should not impinge on "essential" industrial requirements.

As a result of decisions reached at the Commonwealth Finance Ministers' Conference in London, additional restrictions have been applied since February to imports into Malaya, in order to keep the 1952 imports to the level of 1951. All imports from the United States, Canada and American-Account countries, and Japan continue to be subject to special permission on each and every occasion and are to be reviewed from time to time. Imports of some luxury items¹ from Japan were banned as Japan's sterling balances were too high. Imports from all non-sterling sources other than "neighbouring territories" are now subject to individual licences instead of being unlimited under the O.G.L. In August, a few more items of imports from hard currency sources were practically prohibited.

The comfortable balance of payments position enabled Burma to maintain its liberal import licensing policy, especially with respect to the non-dollar area. Import control, however, still applies to items competing with local production, and it is also used for the purpose of assuring the Burmese nationals a fair share in the import trade. Furthermore, in view of the implementation of plans for capital development, complete dismantling of import controls is unlikely.

Among the non-sterling area countries in the region, the Philippines and Indonesia also tightened their exchange and import controls. In the Philippines the foreign exchange allocation for controlled imports was reduced. In anticipation of a decline in export receipts, the Central Bank certification of foreign exchange for controlled imports was lowered from \$222 million for the first somester of 1951 to \$190 million for the first semester of 1952 and to \$160 million for the second semester. The actual reduction in imports of controlled goods during the first half of 1952 accounted for more than one half of the reduction in the total value of imports.

In Indonesia, in early June, the Government announced that foreign exchange would no longer be available for 22 classes of luxury goods (including high-valued motor-cars, watches and furnitures) even at the inducement rate (five times of the old official rate).²

The new multiple currency practice in Indonesia

The deterioration in the balance of payments and the increase in the budget deficit have led the Government of Indonesia to devalue the currency further and to introduce a new set of multiple exchange rates for imports in August. Under these regulations, imports are classified into four categories and differential rates of exchange were applied to them: Foreign exchange for imports of essential goods3 will be granted at the basic rate of 11.40 rupiahs to the dollar. To obtain exchange for importation of goods considered less essential, the importer must obtain a 100 per cent inducement certificate, which in effect raises the rate for these goods to 22.80 rupiahs to the dollar. Luxury goods for which foreign exchange will still be made available are subject to a 200 per cent inducement certificate. The effective rate of exchange for items on this list would therefore be 34.20 rupiahs to the dollar. The fourth category includes luxury goods for which no foreign exchange will be made available.

This device is expected to reduce the demand for imports and to bring in more revenue from the sale of exchange certificates.

In August, in order to encourage local production and conserve dollar exchange, the government of the Philippines placed complete or partial ban on the importation of 23 items, largely light manufactured goods (including cotton yarn, zippers, plastic combs, toothbrushes, etc.). Notwithstanding the reduction of foreign exchange allocation for imports during the second half of 1952, an adequate flow of essential imports is expected during the rest of the year, as decontrolled goods will continue to be imported without any exchange limitation and an increasing volume of essential producer goods is expected to arrive under the Mutual Security Agency programme.

Including cameras, gramophones, fountain-pens, automatic pencils, cigarette lighters and vacuum flasks.

^{2.} See Economic Survey of Asia and the Far East, 1951.

^{3.} They consist of basically the old free list minus any items which have been placed on other lists by the new regulation.

The increase of tariff rates on textiles in Pakistan

Changes in tariff rates were not popular in postwar years as a method of import restriction, probably because of the long legislative procedure involved and the governments' commitment under the GATT. They have, however, the advantage over direct import restrictions that they raise revenue unless they are prohibitive. The recent increase of import duties on textiles in Pakistan is worth mentioning. In order to balance the budget and protect the nascent cotton textile industry,

the Government of Pakistan in late June 1952 raised the import duty to 60 per cent on cotton piecegoods from countries other than the United Kingdom. The import duty on grey textiles from the United Kingdom has been raised from 36 to 54 per cent and that on cloth of United Kingdom origin from 30 to 55 per cent. The 6 per cent preferential treatment is maintained for the United Kingdom imports. The increase of import duties on textiles has not yet resulted in a rise in prices, as stocks are still high.

Chapter 6

THE DETERIORATION IN TERMS OF TRADE AND BALANCE OF PAYMENTS

CHANGES IN TERMS OF TRADE

The price relationships prevailing during the boom of 1950-51 changed in the subsequent period. The substantial fall in raw material prices reduced their purchasing power over food and manufactured goods Within the group of manufactures, the prices of textile products fell while those of engineering products continued to rise. Thus the raw material exporting countries of the region suffered a substantial deterioration in their terms of trade. During the first half of 1952, the terms of trade of the three raw material exporting countries, namely Ceylon, Philippines and Malaya, were about 25 to 40 per cent below the peak levels they had reached in the second half of 1950 or the first half of 1951.

Ceylon, with its large food imports, suffered most and its terms of trade deteriorated further in July and August. Malaya's terms of trade losses came next because Singapore, as an entrepot and processing centre, is a substantial importer of raw materials so that it regained on the import side at least a part of the price losses on exports. Considering only exports of domestic produce and imports for domestic use, the terms of trade of Malaya may have deteriorated more.

As a result of the increase in rice prices, the terms of trade of the rice exporting countries have improved, especially in Burma where the proportion of rice in the total export is the largest. India's terms of trade

worsened, chiefly as a result of rising prices of imported food and of falling prices of textile exports.

Moreover, as rubber, tin, jute and jute manufactures were largely exported at falling prices to the dollar area, the "terms of trade with the dollar area" of the countries which exported those commodities must have deteriorated more than their over-all terms of trade, thus contributing to the deterioration in their balance of payments with the dollar area. In this regard, the sterling countries in the region and, therefore, the sterling area as a whole, was particularly affected.

The deterioration in the terms of trade has been a factor making for a reduction in the real income of the countries concerned; this has been particularly important in countries where foreign trade bears a high relation to total economic activity.

THE ENLARGEMENT OF TRADE DEFICITS AND THE REGIONAL TRADE PATTERN

The balance of trade of almost all countries of the region deteriorated further during the first half of 1952, as a result of falling exports and in some cases—higher imports. The only exceptions from the general trend were Burma, China (Taiwan), where the improvement which led to a small export surplus was largely seasonal, Hong Kong and the Philippines. In the remaining

TABLE 6-1
INDICES OF TERMS OF TRADE

(Jan-Jun 1950=100)

							Ceylon	Philippines	Malaya	India
1950	Jul-De	c	 	 	 	 	117	107	135	98
1951	Ian-lu	n	 	 	 	 	125	100	159	107
	Jul-De	C	 	 	 	 	93	82	126	128
1952	Ian-Iu					1	77	75	123	102
	Iul						85	71)	86
	Aug						68	70	110	90
	Sep						76	80		85

Note: Unit value index of exports divided by that of imports and multiplied by 100.

- O---land to de condude

There was a trade deficit, however, if MSA imports were included.

TABLE 6-2 BALANCE OF TRADE

(Monthly averages)

Million dollars

	1 9	5 0	19	5 1	1952
	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun
Raw material surplus countries					
Malaya	6.0	53.9	54.6	17.3	1.1
Indonesia	17.2	40.5	67.5	8.0	7.5
Pakistan	6.0	1.2	37.7	0.4	- 6.7
Philippines	- 7.5	6.6	5.6	- 17.3	5.1
Ceylon	2.7	11.2	9.0	3.3	- 2.2
Rice surplus countries					
Thailand	4.6	8.5	9.0	6.9	- 3.0
Burma	5.7	2.0	9.0	2.5	7.3
Indochina (Cambodia, Laos, Viet-Nam)	- 9.0	- 14.0	9.6	- 18.8	— 28.9
Other countries					
India	- 0.9	3.6	11.6	32.3	59.3
China (Taiwan)	- 1.2	- 2.0	3.5	- 2.0	1.7
Hong Kong	- 6.5	5.2	6.9	- 19.6	- 15.8
Japan	- 27.0	- 1.3	- 65.6	49.3	- 51.6
Total	- 8.1	115.4	139.2	100.9	-154.0
Total excluding Japan	18.9	116.7	204.8	- 51.6	-102.4

Sources and notes: See tables 4-1 and 5-1.

cf. Chapter 7 in regard to Japan.

countries listed in table 6-2 trade deficits increased during the period, and surpluses diminished or were converted into deficits. If one sums up the trade balances of all the countries, the general deterioration becomes evident by comparison with the preceding periods.

Of the countries which had deficits, those of India and the three States of Indochina were particularly large. In India both the fall in exports and the increase in imports were important factors contributing to the further decline in the balance of trade since the second half of 1951. In Indochina higher imports induced by inflation wert mainly responsible. Thailand had a trade deficit for the first time in the postwar years; it was attributable to the fall in receipts from exports of rubber and tin, and to the appreciation of the currency. Indonesia was the only country which inspite of a somewhat lower trade balance retained a significant export surplus; the depreciation of the rupiah export rate had helped to mitigate the decline in the balance of trade. Of all the countries Japan showed the smallest negative movement

As regards trade balances with various areas, the region's (12 countries excluding China (Taiwan) and Japan) deficit during the first half of 1952 with the major part of the dollar area-the United States and Canada-was almost twice as large as in the second half of 1951, chiefly because of the substantial increase in imports from North America. A very considerable part of this deficit was accounted for by India's import surplus arising from large purchases of food and raw cotton from the United States. In contrast to the trade with North America, the region's exports to Japan increased more than imports and resulted in a smaller trade deficit. A large part of the increase in the region's exports to Japan was attributed to the seasonally large exports of cotton from Pakistan. The region's trade balance with the United Kingdom changed from a surplus to a deficit in the first half of 1952, chiefly because of the substantial decrease in exports to the United Kingdom from most countries of the region, especially India, Indonesia and Malaya. Owing to a larger decrease in exports than in imports, the region's trade surplus with other sterling area countries outside the region was considerably reduced and its trade deficit with Western Continental Europe substantially enlarged.

in its trade balance during the period.1

TABLE 6-3

EXPORTS, IMPORTS AND BALANCE OF TRADE OF TWELVE ECAFE COUNTRIES BY REGIONS

(Monthly averages)

Million dollars

		****	1 9	5 1	1952
		1950	Jan-Jun	Jul-Dec	Jan-Jun
XPORTS					
nited States and Canada		106	147	104	111
nited Kingdom		55	94	101	69
ther sterling area countries outside th	e region	32	50	53	36
EEC countries of continental Europe		71	120	100	76
rpan		17	40	19	30
CAFE countries		110	179	142	126
rand total		454	726	578	501
MPORTS					
nited States and Canada		69	87	126	151
nited Kingdom		59	75	87	91
ther sterling area countries outside th		31	55	40	33
EEC countries of continental Europe		52	81	112	100
ipan		21	42	50	58
CAFE countries		100	154	154	122
rand total		386	543	626	615
ALANCE					
nited States and Canada		37	60	— 21	- 40
nited Kingdom		- 4	19	14	- 22
ther sterling area countries outside th		1	- 6	13	2
EEC countries of continental Europe		19	39	- 12	- 24
pan		- 4	- 1	- 31	— 28
AFE countries	1	10	25	- 12	4
rand total		68	183	- 48	-114

Source: United Nations Statistical Office.

Note: Countries covered are Burma, Ceylon, Hong Kong, India, the three state of Indochina, Indonesia, Malaya, Pakistan, the Philippines and Thailand. Figures relating to Jan-Jun 1952 partially estimated.

CHANGES IN BALANCE OF PAYMENTS AND FOREIGN ASSETS

The balance of payments of several raw material exporting countries and of India deteriorated during the first half of 1952, chiefly on account of the negative trend in the balance of trade. Foreign asset holdings also generally declined, and their purchasing power over imports is now lower in some countries (India and Ceylon) than at the end of 1949; India's exchange reserves are smaller even in current value. (cf. Table 6-4).

Preliminary balance of payments statements are available for only six countries, namely Ceylon, Pakistan, the Philippines, Burma, Thailand and India; they will be dealt with below first for the three raw material exporting countries, then for the two rice exporting countries, and finally India.

The sudden change from a large export surplus to a large import surplus in Ceylon resulted in the first half of 1952 in a considerable depletion of official and banking institutions' short-term foreign assets; this trend continued in the third quarter. By the end of September 1952 the value of these assets was 24 per cent lower than at mid-1951 and only as high as at the end of 1949.² The reserves acquired during the boom period were thus entirely lost, though present holdings are still about double the "reasonable" minimum of Rs. 450 million.³ This rapid depletion of foreign assets caused concern to the monetary authorities, and exchange restrictions were tightened again since September, withdrawing all relaxations introduced a year ago. (see Appendix table 6-1).

Raw material exporting countries

The reserve position of the Philippines and of Thailand remained comparatively stable, for reasons which will be explained below. Burma is the only country showing a persistent increase in foreign assets. (of Table 6-4)

^{2.} Central Bank of Ceylon Bulletin, Sep 1952.

International Bank Mission, The Economic Development of Ceylon. Part I, pp. 57-58.

TABLE 6-4

GOLD AND FOREIGN ASSETS OF SELECTED ECAFE COUNTRIES^a

Million dollars

					Ceylon	Indonesia	Pakistan	Philippines	Burma	Thailand	India
1949	Dec	 	 	 	203	201	512	283	119	218	1,982
950	Jun	 	 	 	185	178b	471	280		253	1,985
	Dec	 	 	 	240	356	507	359	128	288	2,000
951	Jun	 	 	 	266	451	605	396	159	327	2,048
	Dec	 	 	 	262	511	639	318	166	358	1,888
952	Jun	 	 	 	223	492	620c	323	182	354	1,682
	Jul	 	 	 	217	471		317	187	346	1,661
	Aug	 	 	 	213	427		303		352	1,674
	Sep		 	 	203	395		308	201	354	1,696
	Oct	 			203	383			193	358	1.703

Source: IMF.

a. For Burma and Ceylon, total gold and foreign assets possessed by monetary authorities, government and other banks; for India, Pakistan and Thailand, Central Bank only; for the Philippines, Central Bank and other banks; for Indonesia, Bank of Java only.

- b. Gold only.
- c. February.

Owing mainly to the considerable reduction in the trade surplus, the large surplus on current account of the balance of payments of Pakistan in the first half of 1951 had changed to a small deficit of Rs.75 million in the second half of the year. This deficit increased to Rs.389 million in the first half of 1952,1 owing to the low level of exports and the continued expansion of imports. As a result, the foreign assets with the State Bank of Pakistan fell by Rs.467 million within one year.2 The low level of exports was due to the abatement of the commodity boom and to the textile slump which reduced considerably the demand for and prices of Pakistan's major export commodities, jute and cotton. The continuous expansion of imports was induced by the previous rise in money incomes and the liberal import licensing policy. In addition, the price support schemes have had a doubly unfavourable effect on the balance of payments. While on the one hand "the prices offered internally were out of tune with international prices, exports were unduly restricted"; on the other hand, "internal incomes have been sustained and saved from a corresponding fall so that the pressure on imports has not been sufficiently eased."3 The price support schemes, which retarded the process of adjustment of the balance of payments, were abolished in August. They afford an example of how difficult it is for an export economy to maintain both a stable income and an equilibrium in its balance of payments in the face of a sudden and large change in world demand.

Statements of Pakistan's balance of payments on current account, classified by currency areas, are available for the two successive fiscal years, 1950/51, the year of commodity boom, and 1951/52, the year of abatement for the boom. The statistics show that in this period there was more than a threefold increase in the deficit with the dollar area and an almost sixfold increase in that with the sterling area, especially the United Kingdom. The surplus with Continental Western Europe was reduced by one half, while that with Japan changed to a large deficit. However, although Pakistan had a deficit with the dollar area to the extent of Rs.259 million in 1951/52, this was largely offset by the surplus with the Continental O.E.E.C. countries (+ Rs.220 million). Within the sterling area, the United Kingdom in 1951/52 had to settle in gold a substantial part of its deficit with the European Payments' Union. Pakistan's surplus with the Continental O.E.E.C. countries, therefore, offset part of its dollar deficit and so eased the dollar drain on the United Kingdom. (See appendix table 6-2).

In the *Philippines*, the balance of payment position improved during the first half of 1952 and the downward movement in international reserves which started in July 1951 appeared to have been temporarily checked. The improvement was a combined result of several factors: (1) an increase in export earnings because of an exceptionally large volume of sugar export, (2) a decrease in imports arising from lower demand for imports, and from smaller foreign exchange allocations for controlled imports, (3) an increase in the United States government expenditures and (4) a reduction in other invisible payments both because of

2. Ibid.

The State Bank of Pakistan, Report of the Central Board of Directors for the year ended 30 June 1952. p. 17.

Speech delivered by Mr. Zahid Husain, Governor, State Bank of Pakistan on 20 September 1952 on the occasion of Fourth Annual General Meeting of the Bank.

smaller dollar allocations for travel and of a decrease in remittances on investments probably reflecting higher re-investments in the domestic economy. Of these factors, the decrease in imports and the increase in the United States government expenditures (including military expenditure and veterans' administrative payments) were especially significant.

Notwithstanding the improvement, the balance of payment during the first half of 1952 compared unfavourably with the corresponding period in 1951 when there was a sizable surplus chiefly on account of a large trade surplus. Looking forward to the second half of 1952, the Central Bank of the Philippines anticipates no substantial changes. A major decline in export receipts is expected, as sugar export will be reduced on account of the termination of the milling season; a heavier export volume of abaca and coconut, in view of prevailing low prices, cannot offset in value the seasonal decline in sugar. The Central Bank has therefore reduced the foreign exchange allocation for imports, so that on balance the reserve position at the end of 1952 may not show a significant change. However, the foreign exchange assets with the Central Bank and the commercial banks were reduced again in the third quarter. (See appendix table 6-3).

Rice exporting countries

While several raw material exporting countries experienced an unfavourable movement in their balance of payments, Burma showed an improved position during the first half of 1952, as reflected by the increase in the country's foreign exchange reserves. Both exports and imports increased, with a positive balance somewhat reduced as compared with 1951. (cf. Appendix table 6-4). The increase in the total value of exports resulted chiefly from the higher prices obtained for rice. The expansion in imports was attributable more to the greater volume of imports than to an increase in the average prices of imports. The considerable increase in imports of producers' goods and technical services under the United States Technical Cooperation Administration (TCA, formerly ECA) improved the country's stock position and productive capacity. In view of the sizable foreign exchange (especially sterling) reserves and the favourable prospect for the balance of payments, the government is intensifying its development effort. Burma is now also looking upon foreign enterprise in a more favourable light than it did immediately after independence. The Ministry of National Planning has recently announced that foreign investment in Burmese enterprises would not be nationalized for a period of 25 years. This change in policy will help to reduce the repatriation of foreign capital or even to encourage its inflow.

The large surplus on the current account of the balance of payments of Thailand during 1951 was reduced to a little over one-tenth in the first half of 1952. The most important item responsible for the change was the considerable reduction in the merchandise surplus, a result of (a) the declining earning power of Thailand's rubber, tin and other raw material exports, (b) the expansion of imports consequent on the increase of national income, and (c) the appreciation of the baht which stimulated imports but impeded exports. Other international transactions of Thailand in the period under review included large drawings on loans granted by the International Bank, and sales of sterling by the Bank of Thailand and the commercial banks. On the other hand, Thailand added to its short-term dollar assets, and there was also a net inflow of monetary gold (cf. Appendix table 6-5).1

India

India in the first half of 1952 had an external deficit with respect to goods and services of Rs.902 million, about a hundred million less than in the previous half year. The trade deficit was higher, but this was more than offset by an increased surplus on services. In comparison with the first half of 1951, however, when India had a surplus of Rs.79 million with respect to goods and services, the position has deteriorated, due entirely to the increase in the deficit on merchandise account. Two thirds of the increase in the trade deficit since the first half of 1951 are traceable to lower exports, one third to higher imports.

A part of the deficit with respect to goods and services was covered in the first half of 1952 by remittances from overseas Indians,² and by the aid provided by the governments of Australia, New Zealand and Canada under the Colombo plan.³ After allowing for these receipts and for capital movements, and allowing also for errors and omissions, there still remained a deficit of Rs.693 million which required compensatory financing, as compared with Rs.1,288 million for the previous half year. (See appendix table 6-6).

^{1.} See Chapter 4 on "Further decline of export earnings."

Cf. Appendix table 6-6 where these remittances are included under "private donations". Remittances from overseas Indians in Ceylon had increased following the relaxation of exchange control in Ceylon.

Included in Appendix table 6-6 under "Special official financing"; for an explanation of the term see Notes to the table.

The United States Food Loan of Rs.320 million financed almost one half of this deficit. Drawings on foreign exchange assets were of the same order as for the previous half year, and the foreign exchange reserves with the Reserve Bank of India showed a decrease. In short, barring unknown factors under errors and omissions, India's large trade deficit during the first half of 1952 was financed by the United States Food Loan, by the aid received under the Colombo plan and by drafts on sterling balances. This was necessary in view of the food shortage and the requirements for development.

As regards balances with various currency areas, there was during the first half of 1952 a considerable reduction in the surplus on current account with the Sterling area other than Pakistan, chiefly because of the fall, partly seasonal, in exports of cotton textiles, tea and other commodities. As to the balance on current account with Pakistan, the previous deficit turned into a sizable surplus, on account of a reduction in imports of raw jute and an increase in exports of cotton textiles and other manufactured goods. In relation to Pakistan, India's terms of trade improved substantially. The favourable shift in the current account with Pakistan offset the unfavourable shift in transactions with the rest of the sterling area, and resulted in an improvement of India's balance on current account with the sterling area as a whole. With the dollar area there was a further deterioration in the current account, arising mainly from large imports of food and raw cotton. India's deficit with continental OEEC countries was reduced due chiefly to the effects of stricter import control. (See appendix table 6-7).

Chapter 7

INTERNATIONAL TRADE AND PAYMENTS OF JAPAN

The monthly deficit in Japan's visible trade was on the average lower in the first half of 1952 than in 1951. In 1951 Japan's trade deficit had grown. The quantum of exports was the same as in 1950 if one takes the year as a whole, though there were sharp upward and downward movements from quarter to quarter. As the terms of trade had improved relatively to 1950, these exports had an increased purchasing power over imports to the extent of 12 per cent. The actual quantum of imports, however, had expanded by more than was gained by the better terms of trade, and this in conjunction with the rise in the general level of international prices explains the increase in the trade deficit in 1951.

By mid-1952 the quantum of imports had risen still

However, on closer inspection it appears that the better showing of the trade balance during the first half of 1952 was entirely due to favourable changes during the first quarter. Since then the tendency has been distinctly downward. At the end of 1951 the terms of trade, which at that time stood above the average for the year, began to turn against Japan; since then they have gradually worsened. Moreover the quantum of

 If there is trade deficit to begin with, an equi-proportionate rise (fall) in export and import prices will increase (reduce) the trade deficit.

TABLE 7-1

JAPAN: MERCHANDISE TRADE

(Monthly averages)

Million dollars

					TOTAL '	VALUE				
					1 9	5 1		1952		
		1950	1951b	Jan-Jun	Jul-Dec	Jan-Mar	Apr-Jun	Jul-Sep		
Exports Imports Balance		 	 	68.3 81.2 — 12.9	112.9 170.4 — 57.5	110.3 175.9 — 65.6	115.5 164.8 — 49.3	118.8 156.1 — 37.3	108.9 174.8 — 65.9	95.8 166.2 — 70.4
					UNIT VALU	E INDEX			, , , , , , , , , , , , , , , , , , , ,	
Exports Imports Terms of tre		 	 	 100.0 100.0 100.0	163.6 146.0 112.1	152.0 144.4 105.3	175.3 147.7 118.7	158.7 135.7 116.9	153.3 133.9 114.5	
				QUANT	UM (Value a	1950 unit vo	alues)			
Imports		 		68.3 81.2 — 12.9	69.0 116.7 — 47.7	72.6 121.8 — 49.2	65.9 111.6 — 45.7	74.8 115.0 — 40.2	71.0 130.5 — 59.5	

Source: Japan Economic Counsel Board.

further while the quantum of exports had not shown much change since 1951. The adverse effect on the balance of trade of this relative increase in the volume of imports from January to June 1952 was more than offset, however, by price effects: namely by the sharp fall in the general level of international prices and by some further improvement in the terms of trade (as against the average of 1951).

Exports exclude procurement for United Nations and United States Forces.

b. For 1950, the import figures relate to goods arriving at the port of entry during 1950. Beginning 1951, the import figures represent goods cleared for entry by the Customs Bureau during the periods shown. Goods arriving in 1950 but cleared for entry in 1951 are thus double-counted.

exports after its initial rise at the beginning of the year fell off later on. In the second quarter, these two factors, in conjunction with the further expansion of imports, gained the upper hand. The consequent decline in the trade balance continued in the third quarter, although imports were lower.

It is obvious from this brief summary that the fall in the foreign demand for Japanese goods has now become an important influence. Insofar as this shows in the quantum of exports, some fall had occurred already in the early summer and autumn of 1951; had it not been for the Anglo-Japanese agreement which gave a temporary stimulus to trade, it is probable that mid-1951 would have marked the turning point. In the meantime, the secondary effects of the recession in world markets-i.e. the effects of import restrictions-have come into play, and are contributing a good deal to the shrinkage of exports. The fact that the sharp decline in exports since April 1952 is entirely accounted for by falling sales in sterling countries and in the open account area, whereas dollar exports have kept up, is probably an indication of the growing importance of import restrictions.1 More recently exports to the open account area have become steadier, possibly in response to successive trade agreements with Brazil, Indonesia and Thailand (See Appendix table 7-1).

What is most striking however is the terms of trade effect of the decline in the demand for Japanese exports.² That the terms of trade of a country exporting mainly industrial goods should deteriorate in a period of falling prices of primary products is rather exceptional. In the case of Japan this peculiar phenomenon is traceable to a number of circumstances which between them make up the essential features of Japan's post-war trade.

The first is the heavy dependence on dollar commodities the prices of which have fallen much less on the average than the prices of primary products supplied by other countries. The dependence on the dollar area, which also explains Japan's latent dollar shortage, has been lessened somewhat in recent months when purchases were switched to sterling countries. But it is still a factor that counts heavily, particularly in combination with a second factor, viz. the high relative importance of textiles in Japan's export trade. In spite of a definite shift towards producer goods, textile exports (including silk, rayon, staple fibres, woollens, etc.) still accounted in 1950 for almost half the total exports. Since in the

course of the recent recession-which to no small extent was a textile recession—the prices of textiles fell sharply, not only in terms of other manufactures but also in terms of wheat and even cotton, the terms of trade of Japan were bound to deteriorate.3 In the preceding period—that is, during the Korean war boom—Japan had raised export prices of textile products sharply, both absolutely and relatively to the cost of materials, whereas the quantum of Japanese textile exports had shown only a small expansion compared to that of other major suppliers, particularly India and the United States. When the boom collapsed in 1951, the price reaction was strong; the quantum of Japanese textile exports, after an initial drop in mid-1951, subsequently recovered and reached peak levels for most items at the end of the year or early in 1952 when the decline was resumed. By the autumn of 1952 (August) exports of cotton piece goods had fallen by 44 per cent from their average level in 1950 and 1951, and the ratio of exports to output had declined from about one half in 1950 to roughly one third.4

Next to textiles, metal and metal products are important items on Japan's export list. If machinery is added, the combined share of this group in total exports was about 28 per cent in 1950, as against 15 per cent before the war. In the period up to 1950/51, Japan was successful in finding larger markets for these products. A good deal of this success, however, was based on ability to supply at short notice, and not on cost advantages, and was therefore rather precarious. In the case of machinery, the quotations for Japanese plant, electrical equipment, trucks, rolling stock, and ships (but not textile machines) "stood hopelessly higher than those of the competitors."5 Already in 1951 these equipment exports lost ground; they had not been very large in any case. The situation was similar with regard to the quantitatively more important group of metals and metal goods, which includes iron and steel. The cost of steelmaking in Japan is high, partly because of the use of obsolete equipment, particularly in the rolling mills, and partly because of the extraordinarily high price of pig iron. Steel prices in Japan are therefore substantially above the level in Western industrial countries (See appendix table 7-2). In spite of this handicap Japan exported increasing quantities of steel during the period of the Korean war boom when there

Japan itself in Feb 1952 had imposed restrictions on sterling exports in view of the heavy accumulation of sterling balances. But these restrictions were relaxed already in March and still further in May, and have now been completely abolished (October). In the meantime the balance of Japan's sterling trade has declined and become negative (see Appendix table 7-1).

The terms of trade index, which is used in table 7-1, stood at 121 in the fourth quarter of 1951 but had fallen to 112 by June 1952.

By Apr 1952 export prices of Japanese textiles had fallen from their peak level by 78 per cent, whereas prices of imported foodstuffs and textile materials had only fallen by 3 per cent and 88 per cent respectively.

A. It is worth nothing that total production of textiles has been rising continually in Japan and in Aug 1952 was higher than at any time since the war (though this is not true for cotton goods). Home sales have shown a substantial expansion during the first half of 1952. cf. chapter 8 "Price movements and policy".

cf. Foreign Trade of Japan, 1952, Ministry of International Trade and Industry, p. 101.

were few alternative sources of supply; these exports fetched prices that were usually well above the domestic level (though not necessarily above international prices). Non-ferrous metal products made in Japan found markets during that period although they were even more expensive relatively to prevailing international prices.1 All this changed, when towards the end of 1951 and during 1952 supply conditions in Western countries eased and markets became more competitive. Since then, Japanese producers have been forced to make very heavy price concessions. In the case of steel most Japanese export quotations-in contrast to American and European-are now well below domestic prices, so much so that, a few years after the abolition of price control, the question of subsidizing steel and steel products has become an important controversial issue.2 No doubt, these price concessions have helped to prevent a more serious fall in the foreign demand for Japanese products. The cost to the economy as a whole shows in the deterioration of the terms of trade to which the fall in the purchasing power over imports of Japanese metal and metal goods has contributed.3

Looking back, the setback which Japan's export earnings suffered on account of these developments has been mild when compared with the losses of the raw material producing countries of the area. Moreover, since the share of exports in total output is much lower in Japan than in those other countries, Japan's losses due to the foreign trade recession so far were of smaller relative importance. But this is not to imply that the fall in export earnings if it continues, will not have significant effects on the economy. Up to now, the

recession in exports did not impair the liquidity position of Japan. In fact, the foreign currency holdings of the Central Bank continued to increase until the summer of 1952 when they were higher than at any time before. External reserves accumulated in spite of the deficits in merchandise trade and in private invisible transactions. Extra dollar income from military sources (including special procurements and expenses of United States forces) covered these deficits and left something over for strengthening the reserves. A slight reduction in external assets for the first time occured in the third quarter of 1952; the main reduction was in sterling assets while dollar reserves kept on rising. (See table 7-2).

Looking ahead the trading outlook is very uncertain. The consumer goods exports of Japan are increasingly exposed to import restrictions, the full effects of which have yet to show. The tentative estimates of the Economic Council Board, which anticipate a payment deficit for the fiscal year April 1952-March 1953 already allow by implication for a decline in exports in the second half of the year as compared with the first half (see Appendix table 7-3).5 Taking a longer view, due weight must also be given to the underlying precariousness of Japan's international economic position. Military procurements which are paid for in dollars can hardly be regarded as a permanent or as a steady source of income. They veil, and temporarily help to bridge, the overall deficit in current commercial transactions as well as the latent deficit in the dollar accounts. As this extra income is tapering off, its

TABLE 7-2

JAPAN: TREND OF FOREIGN CURRENCY HOLDINGS

Million dollars

	1950		1 9 5 2				
	Dec	Mar	Jun	Dec	Mar	Jun	Sep
Total holdings	556	489	482	913	1,059	1,163	1,130
Dollar	462	401	322	583	643	673a	723a
Pound sterling	54	43	122	211	279	355	280
Open account credit balance	40	45	38	119	137	135	127

Source: Bank of Japan.

^{1.} cf. ibid, p. 21.

^{2.} cf. Oriental Economist, Nov 1952.

By April 1952 the export prices of Japanese metal and metal goods had fallen from their peak level by 24 per cent, whereas the fall in average import prices was only 15 per cent. See also Table 5-5.

^{4.} In addition there was substantial United States aid up to mid-1951.

One striking feature of these estimates is the expected large change in the balance of Japan's economic transactions with the sterling area. This balance, which was strongly positive in 1951, is expected to show a deficit in 1952 (fiscal years).

Note: Figures relate to end of months.

Dollar for June and Sep 1952 includes holdings of foreign exchange banks as follows: Jun-\$2,141,000, Sep-\$21,379,000.

replacement will demand an increase in commercial exports, both visible and invisible. Moreover, the current level of import is still very low by pre-war standards: it is only about half of what it was before the war while industrial production has since increased by 40 per cent. Admittedly, a part of this fall in the ratio of imports to total production must be regarded as permanent, namely insofar as it reflects a change in the industrial structure. Various heavy and chemical industries, which depend less on imports than other industries, have grown in importance, and there has also been a substitution of domestic raw materials, such as timber and scrap iron, for supplies from abroad. Yet there can be little doubt that an increase in the national consumption level which is still materially lower than before the war is conditional upon more imports.

Japan's main problem therefore is to find markets for many more exports under difficult and highly competitive conditions. The advanced industrial countries are not likely to offer additional outlets on which Japan could rely. Although exports to these countries, particularly to the United States, are quite considerable, they consist very largely of marginal items which are not essential to the economy of the receiving countries. They are sensitive to small changes in prices and incomes, and can easily be dispensed with by the receiving countries. On the whole, trade with the under-developed countries of Asia and the Middle East, Latin America

and Africa, seems to hold out better prospects.1 However, as a supplier of these countries Japan is at present handicapped by two main circumstances. In competition for these markets, Japan may have a cost advantage in many light industries over the more highly industrialized countries. But in respect of just these goods, Japan is meeting increasing competition from indigenous production which is usually protected. With the products of the heavier industries and particularly with capital goods, it is the other way round. They should offer more opportunities in under-developed countries whose demand for capital goods far exceeds local production. Yet in the majority of the industries concerned-though certainly not in every one of them-Japan cannot at present compete in price with Western countries;2 as pointed out before, Japanese costs of production are too high. Nevertheless, to promote these exports, as well as exports of the more complex durable consumer goods, is Japan's main task. To bring its solution nearer presupposes the further development of the Japanese economy itself and a substantial improvement in production techniques.

Proximity, which can be a factor of some importance in determining trade, may point particularly to trade with mainland China. At present, however, this trade has dropped to a mere trickle. Japanese exports to mainland China have fallen from Y.2,100 million in 1951 to Y.150 million in the first half of 1952, while imports from mainland China have fallen from Y.3,440 million to Y.420 million (in round figures).

For Japanese exports of capital goods to the ECAFE region see chapter 5, table 5-5.

Chapter 8

PRICE MOVEMENT AND POLICY

CHART 3

INDICES OF COST OF LIVING AND OF WHOLESALE PRICES IN ECAFE COUNTRIES. JAN-JUN 1950-100

-Wholesale prices - Cost of living China (Talwan) Indonesi 200 Japan Viet-Nar Cambodi Laos Maley. Pakistan 1950 1952 1950 1951 1952 1951 1952 1950 1951

of this relative continuity a few comments on the price movements in these countries will suffice.

In south Korea and the three states of Indochina where military factors directly or indirectly dominate the scene, shortages and hence inflation have continued unabated. It is true that lower import prices have made

CHART 4

ROREA(SOUTH): INDEX OF RETAIL PRICES
AND WHOLESALE PRICE INDEX 1947=100

8,000

Retail prices

Wholesale prices

PRICE MOVEMENTS

A glance at Charts 3 and 4 shows that price movements in the region have become more divergent during 1951-52 than they were before. From 1949 or 1950 until well into 1951, prices were rising throughout the region. Since then they have moved towards lower levels in most countries but in others the tendency for prices to rise has continued.

The countries where there has not been much change in the price trend include—apart from Burma which is a special case—China (Taiwan), Korea (south), Thailand and the three states of Indochina. In view

a difference, e.g. in Viet-Nam where wholesale prices remained comparatively stable from January to June 1952. This stability, however, conceals a substantial rise in the prices of domestically produced goods which pushed up the cost of living still further. In China (Taiwan) the basic situation is similar at least in that the maintenance of an army which is large in relation to human and material resources exercises an upward pressure on prices. Some levelling off and reversal were noticeable, however, in the course of the first half of 1952; this was due to lower import prices and a larger import volume (partly financed from United States aid) as well as to the fact that the gradual increase in production since 1951 was not associated with a

proportionate increase in spendable incomes (because of fiscal improvements).

The relative continuity of price movements in the main rice-surplus countries-Thailand and Burma-is explained by the continued firmness of the export price of rice, the most important single economic determinant. Neither Thailand nor Burma were exposed to the same depressive external influences as other countries. Thus in Thailand the price raising influences of the preceding period were still effective in 1952 and operated strongly on the cost of living until the middle of the year, while the steadier course of wholesale prices already reflects the reduced profitability of Thailand's subsidiary exports of rubber and tin as well as some uncertainty in internal trade due to the speculative over-stocking and to recent changes in commercial policy. Wholesale prices of imported goods have come down sharply since March (-30 per cent), after the appreciation of the currency, but so far this had little effect on retail prices.

In Burma, there has been a downward trend in prices over a period of years; the price peak was in 1949 coinciding with the insurrections. Since then the disturbances, though less serious, have been an obstacle to economic development which could not be pushed to the limits of the country's resources; hence the absence of inflationary pressures. Nor did the increase in export income set up a general tendency for prices to rise, for the higher export earnings were partly used to finance heavy imports of consumer goods (particularly in 1951) and partly held in liquid form. There is, however, no doubt that the sagging price trend also reflects some rice in productivity; transport and internal distribution costs have come down as order was reestablished in wider areas. Although the economy is still operating at a low level, the decline in prices has gone hand in hand for some time with a recovery in real income to which the gradual advance in production and better terms of trade have contributed.

TABLE 8-1

BURMA: SEASONALLY ADJUSTED INDEX OF COST OF LIVING RELATING TO BURMESE WORKING CLASS FAMILIES IN RANGOON

(Jan-Jun 1950=100)

						Annual	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
949					 	118.4	113.4	123.8	122.2	114.1
950					 	98.3	105.2	94.8	96.6	96.6
951					 	96.0	93.3	92.6	97.7	100.3
952					 	89.8a	91.6	85.6	92.2	
% ch	ange	195	l to	1952	 * *	6.5	- 1.8	7.6	5.6	

Sources: Central Statistical and Economic Department, Burma.

a. Average of Jan-Sep.

In the rest of the region the price increases of the preceding years slowed down and died out during 1951 and finally gave way to a price decline. For India and the Philippines, and to a lessor extent for Japan, this tendency shows in the movements of the general index number of wholesale prices which is a fairly good indicator of the domestic price effects of changes in world markets. The aggregative character of these indices, however, covers up price movements in individual commodity markets to which reference will be made later. That the dominant tendency has been for prices to weaken is confirmed by index numbers of the cost of living. These index numbers show that the rise in the cost of living which persisted during the greater

part of 1951 has been arrested or reversed.² Generally these index numbers display rather damped, and for certain periods opposite movements, when compared with wholesales prices; this is partly because of the stickiness of some of the component items and the steadiness of the consumer prices of basic food, and partly because of the time lag between changes in import (or raw material) prices on the one hand and in the prices in the shops on the other.

The common factor behind the price fall is the decline in export prices and export incomes. Production of goods and services for home use expanded throughout 1951 in most countries of the region, and was still rising, in the aggregate, in the spring of 1952. During

Few auch indices are available. For Indonesia the wholesale price index of imported goods, which is based on importers' selling prices, is stated to give a reasonably accurate record of changes in the price level.

The upward movement in India during the second quarter of 1952 is explained by changes in subsidy policy.

the same period, or at any rate for the greater part of it, there was also a tendency in most countries for the volume of imports to expand. Thus total supplies to home markets became more plentiful at a time when lower export earnings reduced the flow of money incomes, if not absolutely so at any rate in relation to the flow of goods and services to home markets. Although a part of the loss in money income fell on governments, reducing their revenues as compared with expenditures, there was a relative decline in spendable incomes and in actual spending which operated in a direction of weaker prices.

The extent of the price recession and of the losses caused by it has varied from country to country. For one thing, the decline in export earnings (and in their purchasing power over imports) has been uneven; and as the dependence on exports and imports shows wide variations within the region, the fall in external demand was more significant for some countries than for others. Moreover, domestic factors have played a different role in the various countries. Thus in India, where exports make a relatively small contribution to total output, speculative influences from within the economy greatly accentuated the price fall. While consumers tended to postpone purchases in falling markets, commodities held in stock were unloaded when it no longer seemed profitable, or indeed possible, to finance inventories that had become excessive.1 This collapse in inventory investment was mainly responsible in India for the shake-out in domestic commodity markets during February and March 1952; the uncertainty created by it has made itself felt in domestic trade and production in the subsequent months.

In Japan, domestic influences played an entirely different role. The price recession in Japan was relatively mild, measured by the general index of wholesale prices. The main explanation probably lies in the buoyancy of the consumer market which was one of the outstanding features of the recent economic development. While consumption was lagging behind production in 1950/51, it caught up in the current year. Urban family expenditures at mid-1952 were 25 per cent higher than at mid-1951 which indicates an expansion in the volume of purchases of about 17 per cent, taking into account the rise in consumer prices. Clothing sales show an even more marked improvement (+ 35 per cent in volume), though in this case the expansion in consumer demand was partly in response to lower prices. This increase in personal expenditures may have been due, to some extent, to non-recurring factors such as high wage bonuses in December and tax remissions. However that may be, it certainly helped to stabilize production and to steady prices particularly in home market industries.²

Domestic influence also explain the very divergent price trends of food articles (at wholesale) in different countries of the region. In *India* food prices have fallen with the improvement in stocks and current supplies during 1952. In *Pakistan*, on the other hand, there has been a rather steep rise, particularly in wheat and maize prices, because of shortages in a number of areas; this was associated with a severe price decline in most other commodities in which Pakistan trades.

Inspite of such divergencies, the dominant price tendency in most countries of the region has been downward during the first half of 1952. Signs of greater price stability and of a partial price recovery appeared towards the end of the period. By that time the price fall in various international commodity markets had flattened out, while the quantum demand for a number of export products of the region, e.g. Indian cotton and Pakistan jute, had shown some response to lower prices, lower export duties and to the lifting of export restrictions.3 Cutbacks in production, while inventories were cleared, and reductions in imports helped to restore a measure of price stability. This tendency has not yet persisted long enough, however, to indicate a trend. Nor, of course, was it evenly distributed. It extended mainly to those groups of commodities that bad suffered the sharpest price recession, i.e. to industrial raw materials, while wholesale prices of many finished manufactures have continued to sag.

However, the tendencies operating on prices during the summer and autumn of 1952 were no more than a very partial and hesitant reversal of the much more substantial change in the structure of prices that had occurred during 1951/52, i.e. the depreciation of raw materials in terms of food and manufactures and—within the group of manufactures—the fall in the purchasing power of textile products. It was this shift in price relations rather than the scale change in prices that determined the impact of the trade recession on the economy of the various countries. The region taken as a whole also suffered on this score as it is a substantial exporter of raw materials to the outside world

No doubt, monetary policy contributed to these developments partly by affecting the terms of borrowing including interest-cost, and partly also by generating uncertainty.

[.] The behaviour of export prices was very different (see Chapter 7). Between Apr 1951 and Sep 1952 they dropped by about 27 per cent on the average, whereas the general index of wholesale prices hardly changed over this period.

^{3.} In the case of Pakistan jute, the market revived only in Septem-

as well as a small net exporter of textile manufactures; for most industrial goods and for some of its food the region depends on outside supplies which have become relatively more expensive.

PRICE POLICY

The price recession naturally enforced on governments certain changes in economic policy. adjustments have taken various forms. Export taxes widely used in the region to insulate the economic system from inflationary influences originating abroad were taken off or scaled down. Price support schemes were put into operation in Pakistan when in April 1952 cotton and jute prices had fallen to the lowest level set by the government; in the case of cotton, the scheme -which was ended in August-permitted exports below the support price (subject to the approval of the Cotton Board) and offered compensation to exporters for the difference between the official price and the market price, so that in effect export subsidies had taken the place of export taxes. Support schemes were also formulated in India for cotton and in Japan for raw silk, and relief measures were taken in Burma to ease the textile glut. Direct controls, which were extensively employed in India in bottle-neck sectors, have been abandoned or relaxed, both in the field of manufacturing and food distribution, although the government has retained its power of control over the distribution and prices of essential commodities. In Japan the dismantling of controls was carried further (sugar).

Other measures not directly related to price policy can be omitted here, but one particular problem deserves separate comment: namely, the problem of consumer subsides. Persistently high living costs, combined as they are with falling incomes or government revenues, have raised this problem in a more acute form, at least in the food-deficit countries. Most of these countries operated food subsidy schemes during the inflationary period with a view to protecting the consumer and preventing further cost inflation. During 1951-52 the position of these countries changed radically; they were caught between the decline that has taken place in export earnings and the continuing rise in the cost of imported food. In this situation which clearly carries a threat to living standards a case could be made for continuing consumer subsidies on the ground that they would ease the pressure on certain income groups whom it might be difficult to protect by other means. Moreover, the need for bringing down money costs of production in export industries has made it if anything more important than before to tackle the high cost of living to which money wages are more or less closely tied. Yet the decline in export incomes and in government revenues has rendered it more difficult to finance rising subsidy bills. The governments of the region have taken different decisions in this matter.

There has been no change in subsidy policy in the Federation of Malaya and in Indonesia where economic policy has been increasingly concerned with the cost of living.1 In India food subsidies had been paid mainly in certain industrial cities and chronically food deficient areas. The purpose was to secure a uniform and relatively low price for foodgrains inspite of the growing differential between import prices and the prices of locally grown supplies. These subsidies were withdrawn in March 1952 when heavy imports of high priced grains greatly added to the subsidy bill. Moreover, it was thought that on account of these heavy imports the stock position had so improved that supply could hold its own with demand at reasonable prices, without controls and subsidies. However, the subsequent steep rise in food prices led to a partial restoration of subsidies though the total subsidy bill remained substantially reduced. Cost of living indices for various towns record this change in policy.

In Ceylon food subsidies had been paid at a rising cost throughout the financial year 1951/52, but decisions taken in the summer of 1952² involving a reduction in the rice ration and an increase in the consumer price of sugar marked a departure which is likely to show in a higher cost of living. At about the same time, the price of rationed rice was put up in Singapore.

The fiscal considerations which brought about this change in food price policy will be dealt with later.³

WAGES

Labour statistics in this region are very scanty, except for Japan, and it is impossible, therefore, to trace systematically the developments in labour markets.

In Japan, the number of workers regularly employed in manufacturing declined in the period between the summer of 1951 and the summer of 1952 by about 3 per cent. There is little direct or conclusive evidence that this decline in employment (and increase in unemployment) has impaired the power of the unions to raise money wages.

In Indonesia among the measures taken is the regulation that rice mills shall not be permitted to buy rice themselves, and shall work only for the government (effective for one year until 1 Mar 1953).

^{2.} See Chapter 10.

^{3.} Ibi

CHART 5

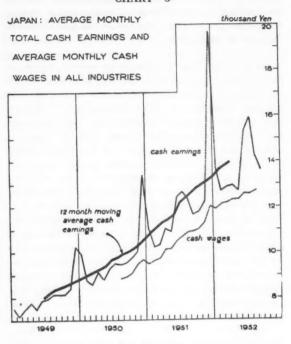
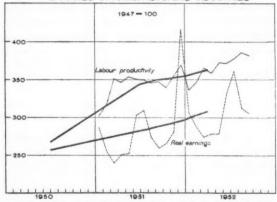


CHART 6

JAPAN: INDICES OF LABOUR PRODUCTIVITY AND OF REAL EARNINGS IN MANUFACTURING INDUSTRIES



Note: 1. The trends for the index of labour productivity and the index of real earnings between mid-1950 and mid-1951 are estimated on the basis of annual averages for 1950 and 1951 by linear interpretation. Figures between mid-1951 and January 1952 are based on 12 months' moving averages.

2. Index of real earnings is based on index of cash earnings adjusted by consumer price index for all cities.

In 1951, as in the previous years, average money earnings have shown a more or less persistent rice. Allowing for the special bonus payments which are usually made in the middle and at the end of each year, this rise in earnings continued in 1952 at about the same pace as before. (of Chart 5). The rise in

contract wages ("cash wages"), however, has shown a slight tendency to slow down in 1952, and there have also been signs of a widening in the difference between wages paid in large scale industry and in small enterprises. The latter were more seriously affected by the slackening in the rate of industrial progress, and there have been many reports of wage cuts (in various forms) in small firms. The fact that the autumn campaign of the labour unions is partly directed against wage reductions in small enterprises is an indication of the change in the economic climate.

Real wages during the recovery period generally moved up with money wages, though much more slowly (because of the price rise), and this increase in real wages or real earnings appears to have continued at a slightly higher rate into 1952 (of chart 6). But one distinct feature of the development during 1950/51 has now disappeared. In 1950/51 real wages were definitely lagging behind the improvement in labour productivity, with the result that there was a very marked shift towards profits in Japanese industry. This process has come to an end since about the middle or autumn of 1951. Between then and mid-1952 there has been less improvement in output per man than in the earlier years when plants were still under-utilized, while real wages (or earnings) have kept on increasing at a rather higher rate than in the period of rapidly rising prices. In consequence the share of wages in output is likely to have risen in many industries. An example would be textiles, where output per man does not seem to have improved recently,1 and as textile prices have fallen relative to wages, the result must have been a rise in wage costs (labour income) per unit of output.

Similar tendencies prevailed in the textile industries of India-at least in jute manufacturing-where profit margins have been severely pruned since the spring of 1952, and also in the plantation industries of the region, which serve highly organised and sensitive markets. The outstanding case here is rubber. As a result of the sharp fall in the price of rubber, output and re-planting activity have declined. In Malaya a certain amount of local unemployment is reported from northern districts, and there has been some shift of labour away from the plantations. Workers had to accept wage cuts after protracted negotiations, and small properties still continue to reduce their wage bills. Since the cost of living has fallen only slightly, these wage cuts have meant a reduction in real wages. Product wages,

1951 981 1952 981 (Jan-Jun)

For cotton yarn the Bank of Japan gives the following figures for monthly output per worker in terms of 20s (based on a survey by the Cotton Spinners' Association):—

TABLE 8-2

CEYLON AND THE PHILIPPINES: INDICES OF MONEY WAGES AND REAL WAGES

(Jan-Jun 1950=100)

							Cey	lon	Philipp	pines
051							Money wage ratesa	Real wage ratesb	Money wage rates	Real wage
951										
			* *	* *	 	* *	124	119	101	92
Jul-Dec	 	 			 		127	120	107	98
952										
Jan	 	 			 		130	120	110	104
Feb	 	 			 		130	120	110	104
Mar	 	 			 		130	120	110	104
Apr	 	 			 		130	122		
May	 	 			 		129	125		
Jun		 			 		125	124		
Test	 	 			 		123	122		
8					 		123	122		**
Com							123	119		

Source: Ceylon: Department of Labour and Central Bank of Ceylon; Philippines: Bureau of the Census and Statistics.

- Index of minimum money wage rates of tea and rubber estate workers.
- b. Minimum money wage rate index for tea and rubber estate workers expressed as percentage of cost of living index for all estate labour.

however, have risen, that is, wages now form a higher proportion of the value of output.

The statistics on wages for tea and rubber estate workers in *Ceylon* also show for the recent period (since May) a fall in real wages (see table 8-2).

The only other country for which relatively systematic information on labour market is available is the *Philippines* where the picture is rather different.

- c. Money wage rates index of unskilled labourers in industrial establishments in Manila.
- d. Money wage rates index for unskilled labourers expressed as percentage of cost of living index of wage earners in Manila.

With inflation halted, prices both wholesale and retail have been marked down. Employment has remained fairly stable. Money wages, however, have shown a marked improvement which started in the course of 1951, mainly in the second half of the year; this improvement was due to the gradual enforcement of the Minimum Wage Law. The combined effect of falling prices and rising money wages has been a rise in real wages, a reversal of the trend in 1950 and in early 1951.

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Chapter 9

MONEY AND CREDIT

DEMAND AND SUPPLY OF LOANABLE FUNDS

The decline in prices and profits which took place in most countries of the region, except in the major rice exporting countries and in China (Taiwan) and Korea (south), was reflected in the money and credit sector.

Caught in the price fall, businessmen tried to avoid losses by holding on to stocks in the expectation of better prices; the increase in their demand for loanable funds is indicated by the rise in the ratio of bank clearings to deposit money (see Appendix Table 9-1), and by the increase in the amount of trade loans granted by banks.

However, commercial banks within the region became more cautious in view of the uncertain earnings outlook and low cash reserves¹ (see Appendix Table 9.2). Total bank credit during 1952 therefore expanded at a slower rate than before or even declined, especially in the raw material exporting countries and in India (see table 9.1); Pakistan was an exception.

This decline in bank credit generally affected speculators and inventory investors more than those needing finance for genuine trade or industrial transactions.

In the major rice exporting countries credit in 1952 continued to expand at the same rate as, if not at a faster rate than, in 1951. In Burma, however, credit expanded at a slower rate in 1952 after making allowances for seasonal variations² owing to the increase in interest rates charged by commercial banks since the end of 1951 and the easing of the demand for loanable funds to finance imports.³

The overall expansion of credit in Japan during 1952, which proceeded at a slightly lower rate as in previous years, conceals certain underlying factors.

TABLE 9-1

INDEX OF COMMERCIAL BANKS' LOANS, ADVANCES AND BILLS DISCOUNTED

(Jan-Jun 1950=100)

End of month averages

	1 9	5 0		1 9	5 1			1 9 5 2	
	III	IV	I	П	ш	IV	I	II	Ш
Burma	91	108	170	151	140	151	195	166	150
Ceylon	149	156	165	171	165	166	163	171	170
China (Taiwan)a	158	202	212	266	332	381	499	606	745
ndiab	93	92	114	123	113	115	129	122	110
ndochina (Cambodia, Laos, Viet-Nam)	97	102	89	88	106	126	153	169	184
ndonesiae	156	150	188	369	450	474			
apan	114	126	137	154	177	196	206	219	235
Korea (south)d			143	175	225	371	474	583	827
Malayae		146f	177	174	166	172	181	127	124
Pakistan	101	136	165	129	104	150	180	161	148
Philippines	95	95	99	106	115	122	133	126	
Thailand	98	100	113	114	117	122	140	140	

Figures include the Land Bank and Co-operative Treasury; they are based on total loans only.

Cash reserves of commercial banks declined during 1950 and 1951, and in a few countries continued to do so in 1952.

Thus, during the busy season 1951/52 (Sep to Feb) in Burma, short-term credit of commercial banks increased by Kyats 51 million as compared with the expansion of Kyats 83 million in the busy season 1950/51 (Oct-Feb).

^{3.} The demand on this account had been increased by the over-flooding of Burma's markets after introduction of many OGL's in 1950 and 1951. Credit for financing imports, after increasing from Kyats 9.8 million in Sep 1950 to Kyats 85.2 million in Sep 1951, had levelled off at Kyats 30.4 million in Mar 1952.

b. Scheduled banks only.

c. Base: March and June 1950=100. Includes the Bank of Java's commercial credit.

d. Base: May 1950=100.

e. Base: Dec 1949=100.

f. End of quarter.

g. Average of 2 months.

Trade credit increased not only absolutely but also relatively to credit for other purposes. While the total amount of industrial bank loans rose, equipment loans hardly expanded and for a few industries even declined. This affected investment in industry, though it was offset to some extent by an increase in public investment and in loans granted by public financial institutions.

Judging from the experience in Japan, it seems that borrowers had difficulties in making repayment, and the amount of overdue loans increased. In Japan, overdue loans with the banks increased from about Y.34 thousand million in December 1951 to over Y.40 thousand million in July 1952. Discount bills failures in Japan also increased significantly.²

CONTINUING RISE OF INTEREST RATES

As c redit expansion did not keep up with the increase in the demand for loanable funds, interest rates in many countries of the region continued to rise during 1952. To a certain extent, the rise reflected the dearer money conditions prevailing in the London money market," especially in countries where British banks play an important part in the local money market. In Burma credit conditions remained tight in the first quarter of 1952 and the call money rate increased still further from 11/2 to 2 per cent per annum. In India, where the central bank's dearer money policy contributed to the rise in interest rates, the call money rates among the larger scheduled banks in the busy season of 1952 were quoted for many weeks around 23/4 and 3 per cent, while among the smaller banks they were occasionally quoted at as high as 31/4 per cent. This might be compared with the call rate among the larger scheduled banks during the busy season of 1951 when it hardly reached 11/8 per cent. In Pakistan, partly owing to tighter conditions in the money market and to a decrease in the inflow of banking funds into Pakistan, inter-bank call money rates rose continuously from November 1951 until it reached an all-time record of 23/4 per cent towards the end of January 1952. By June, however, conditions had eased slightly and call rates were at 13/4 per cent, as compared with a nominal 1/4 per cent rate in the corresponding period of the previous year. In Japan, various public and semi-public financial institutions reduced during 1952 their interest charges on loans granted for specific projects, and there was also a decline in the average "free market" money rate from 18.2 per cent at the end of 1951 to 14.6 per cent in the third quarter of 1952.⁴ But the official rates of interest of the Bank of Japan and of the city banks remained unchanged.

MONETARY POLICY

The deterioration in business conditions was not regarded by the various Governments as serious enough to warrant the adoption of a general policy of monetary expansion. Moreover, balance of payments considerations would have made it difficult to take such a course. India and Japan which had taken disinflationary measures in 1951, by raising the bank rate, did not change them in 1952. The impact of the dearer money policy in India was somewhat softened, however, by the Reserve Bank of India's selective policy of re-discounting usuance bills of commercial banks at ½ per cent below the new bank rate of 31/2 per cent. Furthermore, the Government of India during the first quarter of 1952 guaranteed to purchase, if necessary, from scheduled banks at prescribed prices American and East African cotton held by them as security against loans. In Japan, the internal loans of the Bank of Japan to the commercial banks increased, but foreign exchange loans declined owing to the abolition of the usuance system of financing imports; on balance the Bank of Japan's lending decreased. On the other hand, the Government through its own financial institutions was granted more loans to industry and trade. The loans of the Japan Development Bank, established in March 1951, had risen by July 1952 to over Y.100,000 million; in the meantime (January 1952) the Development Bank had taken over the assets and liabilities of the Reconversion Finance Bank. The loans and discounts of the Export and Import Bank of Japan, which had started operations in February 1951, had risen by March 1952 to almost Y.7,000 million, although there were some reductions in the following months.

In Pakistan, the government in addition to announcing a cotton price support policy in March 1952, requested banks to assume a price of Rs.90 per maund of cotton with the normal 25 per cent margin for the exporter. The banks were not to ask for repayment of

Banks' loans for equipment increased by only Y.3,350 million during the second quarter of 1952 as compared with Y.14,558 million in the third quarter of 1951.

The increase was from Y.14,100 million for Apr-Sep 1951 to Y.19,900 million in the corresponding months of 1952.

The Bank of England raised its bank rate for the second time, within a matter of months, from 21 to 4 per cent on 12 Mar 1952.

^{4.} This was due to the easing of the overloan situation and the difficulty of finding dependable borrowers (under the weight of the depression) which allegedly caused many banks to start a keen competition for getting trust-worthy borrowers.

See Economic Survey of Asia and the Far East 1951 for the Reserve Bank of India's abandonment of support of the government securities market which had enabled the commercial banks in the past to replenish their cash reserves by selling government securities to the Reserve Bank. Loans, advances and bills discounted by the Reserve Bank (other than to government) increased from Rs.79 million in July 1951 to Rs.651 million ir Mar 1952.

loans or for additional collateral even if the price fell below Rs. 90, and the Government undertook to make good any losses which might occur because of the additional risks taken by the banks.

Pakistan and the Philippines used selective credit controls in order to restrict the volume of imports. The State Bank of Pakistan in June 1952 directed authorized dealers in foreign exchange not to open any letter of credit for imports without the deposit of a margin of 75 per cent in the case of goods under the O.G.L. and of 50 per cent in the case of licensable goods. Furthermore, during 1951/52 (July to June) the State Bank of Pakistan granted loans and overdrafts of about Rs.307 million to 9 banks including one Provincial Co-operative Bank, as against Rs.356 million to 13 banks during the previous year.

MONEY SUPPLY

In the raw material exporting countries and in India balance of payments deficits and credit contraction tended to reduce the supply of money. The reappearance of budget deficits however had the opposite effect. As the strength of these factors varied from country to country, there were divergent movements in money supply (see Table 9-2). In India, money supply decreased during the year 1951/52 (April-March) by Rs.1,720 million, i.e. by 9 per cent. In Malaya, money supply was 10 per cent lower by the middle of 1952 than at the end of 1951. In the Philippines the decline during the year 1951/52 (May-April) was of the order of 15 per cent. On the other hand, in Indonesia, Japan and Pakistan money supply continued to increase though at a slower rate. In Indonesia the supply of money in May 1952 was 18 per cent higher than at the end of 1951, while in Pakistan, after making allowance for seasonal changes, there was an increase of 6 per cent between June 1951 and June 1952.

The deflationary effect of balance of payments deficits on money supply in the raw material exporting countries may be illustrated by the example of *Ceylon* where the decline in foreign currency assets was the most important factor reducing money supply (see Appendix Table 9-3).

TABLE 9-2

INDEX OF MONEY SUPPLY

(Jan-Jun 1950=100)

End-of-month averages

							1 9	5 0		1 9	5 1			1 9 5 2	
							Ш	IV	I	II	Ш	IV	I	п	Ш
Burma							100	94	106	115	109	100	119	122	118d
Ceylon							113	127	148	152	148	148	147	140	135
China (Taiwa	m)						142	165	195	249	289	301	320	328	337d
Hong Kong							100	101	101	101	100	100	100	100	100
India							97	98	104	106	100	97		96	93
Indochina (C	mbo	odia.	Lac	s. V	iet-N	am)	103	108	122	129	136	145	97		
Indonesia							120	148	156	163	162	169	176	202	
T							105	115	128	136	140	147	155	160	167d
Korea (south	b						138	300	445	543	622	774	835	900	1,043d
Malayac								158	188	196	199	195	190	176	
Pakistan							98	101	114	113	115	126	130	122	112
Philippines							106	117	108	109	100	97	96	95	95
Thailand							104	119	133	140	144	151	156d		

Notes: Money supply is net active currency (total currency outstanding less holdings in all banks including the central bank and in the government treasuries) plus deposit money (deposits of all banks, including central bank subject to checks, but excluding inter-banking liabilities and central government deposits). The following approximations, however, are used for some countries: Ceylon: deposit money includes deposits of certain government agencies; China (Taiwan): deposit money and total currency issued; Hong Kong: notes in circulation; Indochina: currency in circulation and total deposits; Japan and the Philippines: deposits money with commercial banks only but for the Philippines includes unused overdraft lines: Malaya: demand deposits of commercial banks; Pakistan: currency in circulation and decosit money.

- March and June 1950=100. Figures for 3rd and 4th quarter 1950 relate to end of quarter.
- b. Average of March and June 1950=100. All figures relate to end of quarter, except 1952; from second quarter 1950 onwards figures are estimated.
- c. Dec 1949=100. All figures relate to end of quarter.
- d. Average of 2 months.

Both China (Taiwan) and Korea (south) had seen a rapid expansion of money supply in 1950 and 1951. In 1952, however, the supply of money expanded at a much slower rate than before. Larger imports, made possible by foreign aid or by agreement with the United Nations Forces, helped to reduce the degree of inflation pressure in China (Taiwan) and Korea (south) respectively and at the same time slowed down the rate of increase in money supply.

In the major rice exporting countries which did not experience any deflation, money supply continued to expand during 1952 at the same rate as in 1950 and 1951.² In these countries the expansion of commercial bank credit and the continuing accumulation of foreign assets were important factors tending to increase money supply; this was particularly so in *Burma*, and to a lesser extent in *Thailand*. There were also indications that government budget deficits were contributory factors.

Taking the whole period from 1950 to 1952, money supply in relation to price levels has changed as follows: During the years following the outbreak of the Korean War money supply and credit generally expanded at a much faster pace than wholesale prices and/or the cost of living. With the collapse of the boom in the second half of 1951 and in 1952 money supply and credit contracted in a few countries, notably India, Malaya and the Philippines, but allowing for the lower price levels, the real value of cash balances has increased.

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In Taiwan during the first 8 months of 1952 money supply increased by 10 per cent as compared with 55 per cent increase in the corresponding months of 1951. In Korea (south) money supply in the first 3 months of 1952 increased by 10 per cent as compared with 50 per cent increase in the corresponding period in 1951.

^{2.} In Burma after making allowances for seasonal changes.

Chapter 10

FISCAL DEVELOPMENTS1

As noted in the 1951 Survey, the recession in foreign trade has begun to affect materially the budgetary position of a number of countries in the region. In the meantime, new budgets for 1952/53 are available for Burma and Ceylon, convering the fiscal year ending 1 October, 1952. Some indications as to the trend of budgetary developments in the mainland China too are given in recent announcements from the Finance Minister of the People's Government. All these, along with fiscal developments in certain other countries, are noted in the following sections.

BURMA

The revised budget estimates for 1951/52 show a smaller overall deficit of the Central Government than was originally planned. Government revenue had been under-estimated and expenditure over-estimated. Details are given in table 10-1 and in the appendix tables 10-1 to 10-4 where the same classification is used as in previous Surveys.

The growth in revenues in 1951-52 was due in part to the liberalization of imports which increased

the yield of import duties. It also reflects higher contributions from the State Agricultural Marketing Board (Ks.213 million in 1951/52 as against Ks.167 million in the previous year).²

The increase in government expenditures during 1951/52, as given in the revised estimates, outpaced the increase in revenues so that the approximate balance in the 1950/51 accounts was converted into a deficit. The spending targets for 1951/52, however, had been set even higher, (particularly in regard to public investment) and revenues were more buoyant than had been anticipated; the revised estimate of the deficit is therefore well below the draft estimate. Later information is that the actual deficit will be still smaller.

The budget for 1952/53 is again a deficit budget. Larger revenues are expected from the same sources as before—tax rates are not to be increased nor are new taxes introduced—but it is proposed to step up expenditures to a still greater extent. Defence receives in

TABLE 10-1

BURMA: GOVERNMENT EXPENDITURE, REVENUE AND BALANCE

Million kyats

								Expenditure	Revenue	Balance
1949/50	A	 	 	 	 	 	 	 419.9	491.6	71.7
1950/51	RE							540.1	544.3	4.2
1951/52								809.9	580.0	-229.9
951/52								773.5	629.0	-144.5
1952/53								1,097.3	785.9	-311.4

Notes: The fiscal years are from 1 Oct to 30 Sep. The notations A, RE and DE refer respectively to actuals, revised estimates and draft estimates.

Transactions of posts and telegraphs, aviation and State lottery are net for all the years; of railways, civil supplies and electricity are net for 1949/50 and 1950/51; from 1951/52 only the contributions to or from revenue are included; the rest of the transactions are omitted owing to the creation of separate boards. Interest charges are gross, including payments from undertakings.

Expenditure: Excludes debt repayments and transfers to revenue reserve and contingency funds. 1950/51: excludes the write off of 75 million kyats of agricultural loans given during the year 1945/46 to 1948/49: 1951/52: excludes 80 million kyats for note subscription to International Bank and Fund.

Revenue: Excludes transfers from the Reserve Fund. 1949/50 and 1950/51: includes contribution from State Agricultural Marketing Board and State Timber Board to the National Development Fund. 1951/52: includes capital receipts from the civil supplies board. 1952/53: includes contribution from state managed boards for capital outlay.

This chapter specially should be read as a supplement to the chapter on Fiscal Developments in the 1951 Survey. Since most of the essential features have been fully described in the 1951 Survey, only some special features have been noted in this chapter.

^{2.} In addition to the above contributions, the State Agricultural Marketing Board increased substantially its deposits with the Treasury and the Union Bank of Burma (retained profits). The budget documents indicate that the State Agricultural Marketing Board Act, according to which the Board was required to pay income and super taxes on its 1951/52 profits, has not come into force; nor are the expected contributions in 1952/53 (Ks. 252 million) included in direct taxes.

the new budget the largest additional allocation, followed by public investment and social services. The planned deficit, raised from Ks.145 to Ks.311 million, is to be covered mainly by drafts on cash balances. (see Appendix tables 10-1, 10-3 and 10-4).

By comparative standards, this is a large spending programme. The gross domestic product of Burma was last estimated at Ks. 3,670 million for 1950/51, and of this the government absorbed by its expenditures a little less than one seventh. On present indications, the gross domestic product will reach and may exceed the 4,000 million mark in 1952/53, with government absorption raised to between a fifth and a quarter. The planned increase both in total government outlay and in the deficit is substantial and if these expenditures actually materialize, they can hardly fail to give a stimulus to the economy. The question is whether they will not be inflationary, in the sense of raising prices rather than output.

On the strength of what the national accounts and the state of the balance of payments show, this question can be answered with a fair degree of confidence. For the last four years, including 1951/52. Burma had a surplus of savings over domestic investment to the extent of over 5 per cent of income (except in 1949/50 when the surplus was smaller). These excess savings were invested abroad, i.e. they were used for the accumulation of sterling balances and sterling credits. What the present expenditure programme appears to involve, is the diversion of future savings to domestic use. Since the planned increase in the budget deficit will require no more savings than are now going into investment abroad, the programme seems to be within the limits of what can be financed without inflation. Some running down of the current external balance, which is still in surplus, is bound to occur if only because of the direct

import requirements of the programme. Moreover, although there is a slackness in the economy so that domestic output is likely to respond to the increase in home demand, one cannot be certain just how big and quick this response will be, and how much of the extra income will spill over into imports. However, as long as domestic supplies, particularly of consumer goods, can be augmented by imports at the expense of further foreign investment, shortages need not arise and the danger of inflation should not be great. For the time being, stagnation rather than inflation is the major problem of Burma.

CEYLON AND OTHER COUNTRIES

While in Burma, the budget deficit is the deliberate result of higher government expenditure in a period of rising revenue, it is quite different with the increased deficits (or reduced surpluses) which are now appearing in some other countries of the region where government revenues are falling faster than expenditures are cut. The new budget estimates and proposals of the Government of Ceylon will illustrate this development.

The figures in table 10-2 show a fairly substantial fall in the revenue of the government of Ceylon. The decline during 1951/52 (measured roughly by the difference between the original and the revised estimates) was from Rs.886 million to Rs.823 million. The equivalent estimate for 1952/53 is Rs.794 million.

TABLE 10-2

ESTIMATES OF THE REVENUE AND EXPENDITURE OF THE GOVERNMENT OF CEYLON Million rupees

				1950/1	1951/2	1951/2	1952/3
REVENUE				Actuals	Draft estimates	Revised estimates	Estimates
Customs		 	 	527.7	552.9	478.1	427.9
Import duties				245.0	201.0	258.5	237.5
Export duties				282.5	351.6	219.3	190.1
Sundries				0.2	0.3	0.2	0.3
Income tax, estates duty, et				152.2	219.1	219.4	219.9
All others				133.6	113.8	125.9	145.7
				813.5	885.8	823.4	793.5
EXPENDITURE							
General estimates		 	 	708.2	884.6		837.8
Loan fund expenditures .				146.7	345.0		377.1
				854.9	1,229.6		1,214.9

Note: Postal and tele-communications services and railways and electrical undertakings are included on a net basis.

Though allowance must be made for the foreign exchange which
the development programme itself may supply, at least in the
longer run. In the case of Burma, there is much scope for increased exports of rice and of minerals.

^{2.} It may be noted that the initial increase in domestic demand is smaller than the budget deficit because part of the increased government outlay directly goes into imports. According to the Economic Survey of Burma 1952, the direct import content of some of the new projects that are now being studied is nearly 40 per cent, though the import/expenditure ratio for total government outlay is probably much lower.

The loss during 1951/52 was wholly due to lower revenues from export duties. Import duties, on the other hand, brought in more than was expected (and more than in the preceding year), and this offset part of the losses. However, in 1952/53 import duties are expected to give a smaller yield.

The General Expenditure Estimates for 1952/53 reflect economy measures that are to be applied to almost every Ministry or Ministerial Department, including health, education, labour and social services, external affairs, etc. The only major exception is the Ministry of Agriculture and Food which receives a higher allocation in connection with the campaign for more food production.¹ As to food subsidies, the Estimates provide an amount of Rs.161 million, as against an outlay of Rs.255 million last year. But for these cuts, the prospective deficit would have worked out at a higher figure, particularly as food subsidies, if not restricted, would have risen in 1952/53 to over Rs.300 million.

The budget proposals contain no cuts, however, in investment expenditures from Loan Funds, and the budget generally provides for the completion of the six-year plan 1947-53.² In the meantime, the International Bank for Reconstruction and Development has published the report of its mission to Ceylon, with recommendations for the six-year period 1953-59. These recommendations are to be brought into the provisions for 1953/54.

As to the methods of covering the deficit, domestic borrowing is involved, both in the form of borrowing from the public and drafts on cash balances.³ But from 1952/53 onwards, Ceylon will also need to draw considerably on foreign assets and on external assistance. So far, public development was financed entirely out of domestic resources.

Further measures were proposed in September, when the Prime Minister announced on eight-point plan⁴ to tide over the financial and economic crisis, namely:

(i) Surcharge of 10 per cent on the existing import duties on certain luxury and semi-essential goods; (ii) surcharge of 10 per cent on the assessed income tax for a period of one year; (iii) doubling of the present rate of betting tax; (iv) continuation of the recent increase in sugar prices; (v) reduction of the rice ration in all groups; (vi) increase in guaranteed prices of rice, maize, kurakkan and sorghum; (vii) restriction of imports from non-sterling sources; (vid) restriction of non-urgent expenditures appearing in the 1952/53 budget by about 100 million rupees.⁵

The budget and the fiscal policy of Ceylon have been reported at some length because they contain certain features which recur in a number of other countries of the region. First, the tendency for government revenues to fall is fairly general. Lower revenues are shown for 1952 or 1952/53 in statistics or estimates for Indonesia, India and Pakistan and a decline is also anticipated for 1953 in Malaya. In all these cases the main revenue loss is traceable to lower yields from, or to the scaling down of, taxes on export commodities. Income and profit taxes, which are of a small relative importance in the region, generally still reflect the prosperity of the preceding year. The full impact of the recession therefore is expected to show only in the financial accounts covering 1953. Malaya is a case in point: Federal revenues in 1952 are likely to be higher than in 1951, owing to the buoyancy of income tax, but a falling-off is anticipated for 1953. The revenue estimates, in round figures, are:6

1951 (RE)	M\$	690	million
1952 (DE)	M\$	641	million
1952 (RE)	M\$	712	million
1953 (DE)	M\$	589	million

The second common feature is this: all governments faced with a more or less drastic fall in their revenues are trying to make up for this loss by a combination of measures which always include pruning of expenditure, except for expenditure on defence and on development. Expenditures in these two fields are generally still rising, defence for security reasons and development because of the high priority which it has received, and also because it cannot be turned on and off on tap. S

The increase in the vote for the Ministry of Home Affairs is mainly due to the transfer to this Ministry of the Cottage Industries Department which used to be under the Ministry of Industries and Fisheries.

Under the revised Colombo Plan, Ceylon's development outlay in 1952/63 will be Rs.583 million as against Rs.403 million in 1951/52.
 It is too early to any whether this programme can be carried out in full. For details and explanations see the Annual Report of Consultative Committee on Economic Development in South and Southeast Asia, Karachi, March 1952.

Southeast Asia, Karachi, March 1992.

Two new Government loans—2½ per cent 1956-58 and 3 per cent 1973-78—were subscribed for between July 15 and Aug 21, 1952. The maturity periods of the two loans were designed to meet the demands both from commercial banks, whose preference is for "shorts", and institutional savers, who generally prefer "longs". The size of each loan was not fixed beforehand, but was left for the market to determine within a limit of Rs.100 million for the two loans together (see Central Bank of Ceylon Bulletin, Sep 1952, p. 10).

Some of these measures have already been passed by Parliament under the Subsidies Temporary Taxes Bill.

The projects affected are an iron and steel mill, a D.D.T.-caustic soda factory, a cotton textile mill, a new paper factory, a new acetic acid factory, and an ore-dressing plant for mineral sands. Cf. Ceylon News, 2 Oct 1952.

Cf. report on the draft estimates for 1953, in: Brown's Malayan Economic Review. Nov 15, 1952.

Ceylon seems the only country where defence expenditure is not increased.

If the recession continues, the possibility that volume and distribution of development expenditures will be affected, cannot be ruled out, however, as the steps taken by Ceylon show.

On the expenditure side, the axe is falling mainly on administrative expenditures at home and abroad, and on food subsidies (Ceylon, India). At the same time governments are trying to tap new sources of income to compensate, at least partly, for the loss. Thus, in addition to Ceylon, some of the State Government of India, which have presented 1952/53 budgets, have announced new taxation proposals, chief among which are, (a) extension of the scope of sales tax, (b) rise in petrol duty, and (c) increase in land revenue, either in the form of a surcharge or a betterment levy on land which has recently benefited by the provision of irrigation facilities.1 In Indonesia, to quote another case, the inheritance tax will be re-imposed, luxury cars will be taxed, and differential exchange rates for imports (which are in fact selective taxes) have been introduced in place of the former charge for import certificates. In Pakistan, import duties on cotton goods were raised: no doubt, fiscal considerations had something to do with the choice of this particular method of import restriction. Recent measures also include tax concessions made on incentive grounds.

A third experience which some other countries are sharing with Ceylon is that, in spite of such countermeasures, revenues for the time being are falling faster than expenditures so that the government accounts tend to show growing deficits or declining surpluses. For Malaya, present indications are that the surpluses of 1951 and 1952 will be converted into a deficit in 1953. In Indonesia, the prospective 1952 deficit is particularly -and exceptionally-high. It seems that in 1951 the government accounts actually closed with a cash surplus of about Rp.1,000 million (although the original estimate was a deficit of the same order). At that time many commitments were made in various sectors involving additional expenditures in 1952. When subsequently receipts began to fall, the position quickly deteriorated, and it is now expected that there will be a deficit in 1952 of the order of Rp.4,000 million.² In 1953 revenues are likely to be still lower, by a substantial margin. For India and Pakistan, the latest official estimates were reported in the 1951 Survey.

It is perfectly clear that this growth of deficits is not the outcome of deliberate policies.³ The governments of the region have been using fiscal measures as an instrument of controlling inflation in recent years, but no government is making use of this method for controlling deflation. There are good reasons for this. Not only was the inflation of the last few years more easily identifiable and pervasive than the rather localised deflation of the present period. The main reason is that countries which are faced with a sudden fall in the demand for their exports, and which do not possess large reserves of foreign exchange, cannot employ expansionary home finance as a counter: it is ruled out by balance of payments consideration. Nor is there anything else they can do, apart from adjusting downward.

That these downward adjustments do not extend to development plans-except perhaps for some minor projects-is worth stressing again. All available estimates go to show that the amount of development work in progress, and the size of the plans that have been approved, are slowly growing.5 In fact, neither the Korean war boom nor the subsequent recession had much effect on the speed of development. Its pace was limited during the boom by such factors as administrative capacity, the maturity of plans or the availability of goods. The rise in exoprt earnings found its main reflection at that time in an increase in exchange reserves. During the recssion these reserves, augmented by foreign aid or loans, have so far proved sufficient to support prevailing levels of development, though restrictions had to be imposed in some other directions. It is clear, however, that a prolonged recession would materially alter the picture, for there are few countries that could stand the present strain on reserves for any length of time. Even an improvement in trade, of which there are now signs (end-1952), may leave behind conditions of greater financial stringency, in view of the fact that the changes that have taken place in world markets since the spring of 1951, represent at least in part an adjustment to more permanent, or less abnormal, conditions than prevailed during 1950/51.

MAINLAND CHINA

What information there is on budgetary policy in mainland China reveals a large increase in real expenditures and revenues, since 1950. The 1951 budget, which was not published, was stated to have been compiled "in the light of the worst possible conditions

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For a detailed survey of the finances of Part A and Part B States, see Reserve Bank of India Bulletin, Nov 1952.

Data taken from Facing the Situation, published by the Ministry of Information, Republic of Indonesia.

Signs of a beginning shift towards a more liberal or expansionary financial policy are noticeable in Japan where inventory finance for Food Control and Foreign Exchange Special Accounts are now mainly provided by Joans; under the "Dodge line" they had to be provided from current revenue.

^{4.} It may be different for groups of countries whose economies are largely complementary, if they act together. But this does not apply to the countries of the ECAFE region where the degree of complementarity is small.

Most of the relevant information was given already in the 1951 Survey.

confronting the country, and with a view to guaranteeing the international needs." Unofficial estimates show that the size of the budget considerably increased in comparison with 1950; military expenditures were the largest item. With the Korean war still on in 1952, the Finance Minister recently announced that expenditure during the year was to rise 56 per cent and revenue 42 per cent over 1951. The budget was to be balanced whereas the year 1951 had closed with a surplus. The rise in the figures reflects both the recovery in production and the increase in the government's share in total economic activity.

All major expenditure items—Defence, Investment in State Enterprises, Administration, Education and Health—received higher allocation in the budget plan. Though no precise figures are available from official sources, it seems that military outlays and investment in state enterprises have gone up most. The state enterprises are mainly concentrated in the Northeast (Manchuria), the heart of industrial China, but they also include large-scale construction projects such as building of dykes and dams along the Yellow River, the Yangtsze river and other principal rivers of the country; completion of three railways in Northwest and Southwest China; and building of the new harbour in Tangku, North China.

Administration expenditures must have increased (though perhaps not proportionately) in view of the large expansion in Government and Party personnel. According to the Minister of Personnel of the Central People's Government, there were in all about 720,000 cadres at the time of the founding of the People's Republic of China on 1 October, 1949; by September 1952, the number of cadres (exclusive of military services) had reached 2,750,000, representing a fourfould increase in three years.

Among the sources of revenue the largest is taxation. In the 1950 budget about 41 per cent of revenue were derived from the national food levy (land tax), and 39 per cent from other taxes, especially the business tax on industry and trade. Earnings from state enterprises provided 17 per cent, and other sources 3 per cent. In the meantime, confiscations in the course of the various campaigns against landlords and capitalist have swelled state receipts, and there has also been a large increase in the contributions of state enterprises which in 1952 produced about two thirds of the country's industrial output. The contributions of state interprises

together with urban taxes now constitute the main source of Government revenue while the share of rural taxes has declined.

With the progress of land reform the extreme disparities in land ownership were removed in most parts of China. An important change has occurred in agricultural taxation. New agricultural tax regulations were announced on 16 June, 1952 and were to apply to those parts where the land reform has been completed. Northeast and North China were expected to be included next year. The new regulations, which simplify the tax system and reduce its progressivity, have three principal features:

- (i) The tax is to be collected solely by the Central Government, and all local surcharges will be abolished. This feature forces the local authorities to apply to the Central Government to make up their loss of revenue and consequently strengthens the Central Government's control and assists its policy of centralization. The abolition of local taxes is also expected to reduce on balance the tax burden on the agricultural population.
- (ii) The tax is graduated according to the average production of each individual in the farmer's family, the scale ranging from 7 to 30 per cent.
- (iii) The tax is to be based on a fixed production quota.

It is claimed that the majority of farmers will pay tax at rates between 11 and 15 per cent of their grain crops. (Special regulations will apply to crops other than grains.)

While the actual procedures for deciding the production of each individual in the farmer's family or the method of arriving at the estimate of annual production are not clear, the greatest significance of these regulations is the adoption in mainland China of centrally controlled agricultural taxation system which in practice would tend towards an increasing control by the government over the farmer.

^{1.} This refers to output of "modern" industry.

^{2.} Steeply progressive land taxes, which put the maximum burden on high income groups and give relief to poor peasants, continue to apply to areas where land reform has not been completed. The rates levied in kind ranged in 1950 from 10 per cent for poor peasants to 80 per cent for "special families" whose receipts were in excess of 6.000 bushels per annum. Middle peasants, rich peasants and landlords paid 15 per cent, 25 per cent and 50 per cent respectively.

APPENDIX TABLE 1-1

INDICES OF WHOLESALE PRICES OF SELECTED EXPORT COMMODITIES (1949 = 100)

				19	5 0			19	5 1		19	5 2
			I	п	m	IV	I	п	m	IV	I	п
Copra (Singapore)	 	 	119	122	137	145	179	144	122	124	100	84
Groundnuts (Bombay)	 	 	102	110	115	106	121	127	104	101	85	73
Sugar (Manila)	 	 	101	104	109	105	100	105	102	97	1	
Tea (Colombo)	 	 	121	90	107	112	123	95	87	91	92	78
Tobaccoa (Gunter)	 	 	100	100	108	108	108	106	106	104	108	103
Cotton, raw (Karachi)	 	 	87	87	104	151	199	190	159	147	144	128
Jute, rawb (Chittagong)	 	 	70	78	71	69	93	160	109	100	97	73
Rubber (Singapore)	 	 	136	198	326	468	567	446	389	382	323	258

Source: FAO
a. Base Jan-Jun 1950.
b. Base average of Jan, Feb, Jun and Jul 1949.
c. Two-month average.

APPENDIX TABLE 1-2

EXPORTS OF WHEAT AND WHEAT FLOUR TO SELECTED ECAFE COUNTRIES FROM ARGENTINA, AUSTRALIA, CANADA AND THE UNITED STATES

			Thousand ton
	1950	1951	1952 Jan-Jun
Burma	4	4	15
Ceylon	226	311	133
China (Taiwan)	18	_	_
Hong Kong	125	59	28
India	1,593	3,322	1,752
Indonesia	74	188	121
Japan	1,403	1,649	1,173
Korea (south)	_	34	31
Malaya	171	226	91
Philippines	227	248	107
Total	3,841	6,039	3,451

Source: FAO

APPENDIX TABLE 1-3

ESTIMATED ENERGY AND PROTEIN CONTENT PER CAPITA OF DAILY AVERAGE FOOD SUPPLIES

		Ca	lories		To	tal prote	in (Gran	as)	Ani	mal prot	ein (Gra	ms)	- 1
	Prewar	1949/50	1950/51	1951/52 as % of 1950/51		949/50	1950/51	1951/52: as % of 1950/51	Prewar	1949/50	1950/51	1951/52 cas % of 1950/51	1001/01 01111901
Ceylon .	. 2140	2010	2060	100	48	46	48	101	9	11	12	101	Slightly more meat.
Chinaa .	. 2230	2030	2120	102	71	62	65	101	6	5	5	100	More rice and meat.
Indiab .	. 1970	1620	1570	102	56	42	42	102	8	6	6	100	More rice and sugar.
Indonesia	. 2040	1880	1950	101	46	42	44	100	5	5	5	100	Slightly more cereals an more starchy roots.
Japan .	. 2180	2000	2100	102	64	52	53	100	10	9	10	95	More sugar less fish.
Pakistan .		2240	2160	100	_	60	58	100	_	11	11	100	Little significant changes.
Philippines	. 1920	1960	2050	99	45	44	47	99	11	10	11	100	Slightly less rice and com

Source: FAO

a. Excluding Northeast (Manchuria) and Taiwan. b. Pre-war relates to India and Pakistan.

APPENDIX TABLE 1-4 RICE EXPORTS FROM SELECTED ECAFE COUNTRIES

Thousand tons

			1950	1951	1951 Jan-Jun	1952 Jan-Jun
BU	RMA					
(1)	To ECAFE countriesa		1,052	1,132	680	562b
(2)	Total exports		1,198	1,325	770	648
IND	(1) as percentage of (2) OCHINA		88	85	88	87
(1)	To ECAFE countriesa		15	149	31	107
(2)	Total exports		121	334	151	186
TH	(1) as percentage of (2) AILAND		12	45	21	58
(1)	To ECAFE countriesa		1.189	1.383	677	679
(2)	Total exports		1,508	1,612	820	729
,-,	(1) as percentage of (2)		79	86	83	93
TO	TAL	•		-		-
(1)	To ECAFE countriesa		2,256	2,664	1,388	1,348
(2)	Total exports		2.827	3,271	1.741	1,563
	(1) as percentage of (2)		80	81	80	86

Source: FAO

Comprising Ceylon, China, Hong Kong, India, Indonesia, Japan, Malaya, Pakistan and the Philippines. Estimated on basis of Jan-May figures.

APPENDIX TABLE 3-1 CHINA (MAINLAND): INDUSTRIAL PRODUCTION (Pre-liberation peak = 100)

				1949	1950	1951 (Fore- cast)	(Forecast)
Electricity .				72	78	94	115
Coal				45	59	69	90
Petroleum .				38a	51	65	136
Piq iron				11	49	64	104
Steel ingots .			.	16	69	97	155
Rolled steel .			.1	18	67	120	167
Copper					253	333	
Tungsten .					76	80	
Tin					38	46	
Cement				31	66	107	148
Glass					120	138	
Caustic soda					82	244	
Soda ash .				63	97	124	
Cotton yarn				72	100	106	144
Cotton cloth			.	73	109	118	161
Paper			.1	90	115	185	234
Gunny bags			. 1		43	99	
Auto tyres .				36	66	196	
Cigarettes .				83a			145
Matches				85a			111
Wheat flour				78			106
Sugar				40	48b	60b	100
Lumber							136

APPENDIX TABLE 2-1

TIN: WORLD-PRODUCTION AND CONSUMPTION^a

Tons

			Production	Consumption	Excess of production over consumption
1938			164,700	150,900	+ 13,800
1946			101,100	116.300	— 15,200
1947			126,500	129,000	- 2,500
1948			160,000	133,100	+ 26,900
1949		٠	170,700	116,350	+ 54,350
1950			176,300	150,400	+ 25,900
1951			170,200	139,200	+ 31,000
1952b			160,800	119,500	+ 41,300

Source: International Tin Study Group.

a. Excluding USSR.

b. Annual rate based on Jan-Sep data.

APPENDIX TABLE 3-2

CHINA (TAIWAN): INDUSTRIAL PRODUCTION, 1951-52

(Monthly averages or calendar months)

Coal					Unit	1951		1952	,
Electricity							Jan-Mar	Apr-Jun	July
Gasoline	Coal				'000 tons	138.0	149.0	196.0	193.0
Rerosine	Electricity				mn KWH	107.7	116.6	112.8	118.9
Diesel oil 4.2 3.7 4.2 6. Fuel oil 10.3 11.6 11.7 14. Cement	Gasoline				mn litres	6.7	6.3	8.0	8.4
Fuel oil	Kerosine	a			"	2.7	4.3	4.0	3.7
Cement '000 tons 32.4 27.6 40.0 43.	Diesel oil			4	**	4.2	3.7	4.2	6.4
Cotton yarn	Fuel oil	0			"	10.3	11.6	11.7	14.9
Cotton cloth	Cement				'000 tons	32.4	27.6	40.0	43.9
Gunny bags	Cotton yarn .				'000 bales	b	4.7	5.6	6.8
Caustic soda tons 778.0 824.0 564. Liquid chlorine 164.0 118.0 60. Hydrochloric acid 286.0 401.0 357. Paper 1,422.0 1,870.0 2,091. Paper board 579.0 410.0 496. Pulp 1,205.0 421.0 311. Chemical fertilizers 4,812.0 5,617.0 5,889. Calcium cyanamide 4,812.0 5,617.0 5,889. Calcium superphosphate 997.0 537.0 590. Ammonium sulphate 464.0 491.0 453. Salt 22.0 40.0 37.0 3	Cotton cloth .				mn yards		6.1	7.8	7.6
Liquid chlorine	Gunny bags .				'000	437.0	447.0	554.0	596.0
Hydrochloric acid	Caustic soda .				tons		778.0	824.0	564.0
Paper 1,422.0 1,870.0 2,091. Paper board 579.0 410.0 496. Pulp 1,205.0 421.0 311. Chemical fertilizers 4,812.0 5,617.0 5,889. Calcium superphosphate 9,166.0 2,955.0 4,485.0 5,727. Fused phosphate 997.0 537.0 590. Ammonium sulphate 464.0 491.0 453. Salt .	Liquid chlorine				11		164.0	118.0	60.0
Paper board	Hydrochloric acid				**		286.0	401.0	357.0
Pulp	Paper			0	**		1,422.0	1,870.0	2,091.0
Chemical fertilizers Calcium cyanamide	Paper board .				**		579.0	410.0	496.0
Calcium cyanamide	Pulp				"		1,205.0	421.0	311.0
Calcium superphosphate	Chemical fertilize	rs							
Fused phosphate	Calcium cyanar	nid	е		"]		4,812.0	5,617.0	5,889.0
Ammonium sulphote	Calcium superp	hos	ph	ate	,, [9,166.0	2,955.0	4,485.0	6,727.0
Salt	Fused phospho	te			,, [997.0	537.0	590.0
	Ammonium sul	pho	ate		,,)		464.0	491.0	453.0
Sugara	Salt				'000 tons	22.0	40.0	37.0	3.0
	Sugara				"	351.0	164.0	7.0	-

Source: China Ministry of Economic Affairs.

- a. Production of sugar for crop year 1951/52 (Dec-Apr) was 520,454
- b. 1 bale=400 pounds.
- c. 1950/51 Dec-Apr total.

APPENDIX TABLE 5-1

BURMA: IMPORTS BY CONTROL CATEGORIES^a

Million kyats

	1950	1951	1952b
Private	450	538	656
Open general licence	146	328	388
Special licence	304	210	268
Government	59	120	140
Total	509	658	796

Source: Union Bank of Burma.

a. Actual payments.b. Annual rate based on Jan-Jun figures.

APPENDIX TABLE 5-3

PHILIPPINES: IMPORTS BY CONTROL CATEGORIES

f.o.b. value in million pesos

	•		
	1950	1951	1952a
Completely decontrolled goods	51	76	43
Controlled goods	619	870	836
Essentials	399	555	551
Non-essentials	220	314	285
Completely banned goodsb .	15	15	8
Total	685	961	887
			1

Sourse: Central Bank of the Philippines.

Annual rate based on Jan-Jun figures.

Imports of commodities before announcement of ban on them.

APPENDIX TABLE 6-2

PAKISTAN: BALANCE OF PAYMENTS ON ACCOUNT OF CURRENT TRANSACTIONS BY REGIONS

Credit or debit (-) balances

Million rupees

							1950/51a	1951/52a
Dollar area							— 80.8	-258.7
Japan			0		0		139.2	-246.6
Sterling area .							— 95.6	-557.7
United Kingdom							-287.8	-512.8
India							158.0	2.4
Others							34.2	- 47.3
O.E.E.C. (excluding	U	.K.)					423.8	219.8

Source: State Bank of Pakistan.

a. Fiscal year Jul-Jun.

APPENDIX TABLE 5-2

PHILIPPINES: IMPORTS BY ECONOMIC GROUPS

f.o.b. in million pesos

				1950	1951	1952
Capital goods .				84	151	191
Raw materials .				258	276	290
Consumption goods	3 .			343	534	406
Total			.	685	961	887

Source: Central Bank of the Philippines.

a. Annual rate based on Jan-Jun figures.

APPENDIX TABLE 6-1 CEYLON: BALANCE OF PAYMENTS

Credit or debit (-) balances

Million rupees

	19	51	1952
	Jan-Jun	Jul-Dec	Jan-Jun
Current transactions			
Merchandise	268.0	60.8	85.0
Non-monetary gold	- 1.4	- 0.8	- 1.4
Government expenditures and			
other services	- 87.8	- 72.6	- 81.4
Dongtions	- 29.9	- 47.2	- 59.0
Total	148.9	- 59.8	-226.8
Movement of capital and monetary gold			
Private capital movements .	- 24.0	- 17.0	7.6
Official and banking institutions	-113.7	3.8	185.1
Total	-137.7	- 13.2	192.7
Errors and omissions	- 11.2	- 73.0	- 34.1

Source: IMF.

APPENDIX TABLE 6-3 PHILIPPINES: BALANCE OF PAYMENTS

(Credit or debit (-) balances)

Million dollars

	1	951	1952
	Jan-Jun	Jul-Dec	Jan-Jun
Current transactions Merchandise Non-monetary gold Government Other services Donations Total Movement of capital and monetary gold	33.6 6.6 45.0 — 29.9 15.9 71.2	-104.8 7.1 48.9 - 58.0 4.8102.0	- 32.6 7.4 61.6 - 44.9 13.3 4.8
Private Long-term Short-term Official & banking institution Long-term Short-term Monetary gold Total Errors and omissions	2.8 - 19.8 - 19.8 - 1.7 - 54.0 - 17.2	38.8 * 14.5 75.6 1.6 98.3 3.7	2.7 12.9 — 3.7 — 3.5 — 1.8 — 11.4

Source: IMF.

APPENDIX TABLE 6-4

BURMA: BALANCE OF PAYMENTS

(Credit or debit (-) balances)

Million kyat

								1951 (half year average)	1952 Jan-Jun
Current transactions									
Merchandise								173	1508
Non-monetary gold								- 6	
Government expend								- 21	- 27
Donations								— 14	218
Total			٠		٠			132	102
Movement of capital	aı	nd :	mor	eto	ırv	gol	d		
Private						-		- 3	- 7
Official									
long-term								— 15	
short-term								- 85	-108
Monetary gold .								_	_
Total								-103	115
Errors and omissions							.	- 29	13

Source: IMF.

The figure for merchandise balance is derived from exchange control records. It is not comparable with the 1951 figure which included ECA imports. Imports of goods under ECA aid during the first half of 1952 reached K.21 million and technical services provided by ECA aid programme during Jan-May 1952 reached K.3.3 million. The counterpart of this item which should appear as official donations was omitted.

APPENDIX TABLE 6-5

THAILAND: BALANCE OF PAYMENTS

(Credit or debit (-) balances)

Million baht

	19	951	1952
	Jan-Jun	Jul-Dec	Jan-Jun
Current transactions			
Merchandise	615.6	369.2	124.8
Non-monetary gold	2.0	- 6.2	5.5
Services	-112.0	48.3	- 78.8
Donations	- 11.8	32.3	- 1.6
Total	493.8	443.6	49.9
Movement of capital and monetary gold			
Private capital movements	_	-	_
Official & banking institutions			
Long-term	- 7.4	-814.0	45.4
Short-term	-455.8	169.5	10.3
Monetary gold	-	-	— 14.3
Total	-463.2	-644.5	41.4
Errors and omissions	- 30.6	200.9	- 91.3

Source: IMF for 1951 and Bank of Thailand for Jan-Jun 1952.

APPENDIX TABLE 6-6 INDIA: BALANCE OF PAYMENTS^a

(Credit or debit (-) balances)

Million rupees

	19	951	1952
	Jan-Jun	Jul-Dec	Jan-Jun
Goods and services			
Trade balance	- 154	-1,180	-1,276
Investment income	- 128	- 113	- 30
Government	28	22	53
Other services	333	264	351
Total	79	-1,007	- 902
Private donations and capital movements	75	-1,007	- 50%
Donations	66	68	81
Long-term capital	- 11	- 23	- 60
Short-term capital	30	- 3	10
	85	42	3
Special official financing	63	44	3.
Amortization and other contract			
tual repayments	- 14	- 14	_ 18
I.B.R.D. logns	39	10	_ 1
Aid received under the Colombo	33	10	,
Plan from Australia, New			
Zealand and Canada .		14	78
Aid received under the Indo			
U.S. Technical Co-operation			
Agreement	_	_	
	25	10	64
Errors and omissions	21	- 333	114
Surplus or deficit (—)	210	-1,288	- 693
Compensatory official financing	210	-1,200	- 00
Barter deals	8	- 1	
U.S. food loan	_	585	320
Transfers of Indian currency	- 110	- 83	- 22
Foreign official holdings of	110	-	
Rupee securities	_	- 15	_
Short-term liabilities	191	40	- 199
Foreign exchange assets	- 299	762	793
m - 1	210	1,288	693
Total	- 210	1,200	65.

Source: Reserve Bank of India.

Source: Reserve Bank of India.

Notes: Compensatory Official Financing cover inter-governmental financial transactions and transactions carried out by the monetary authorities to adjust a lack of balance arising from all those international transactions which have been carried out for purposes other than exchange stabilization.

Special Official Financing cover official donations and capital movements which are not undertaken for general balance of payments purposes, such as: contractual obligations, developmental loans, educational grants etc.

For details see Part I (Concepts and Definitions) of the Balance of Payments Yearbook of the International Monetary Fund for 1949/50.

a. Including transactions with Pakistan.

APPENDIX TABLE 6-7

INDIA: BALANCE OF PAYMENTS ON ACCOUNT OF CURRENT TRANSACTIONS BY CURRENCY AREAS

(Credit or debit (-) balances)

Million rupees

	19	1952	
	Jan-Jun	Jul-Dec	Jan-Jun
Sterling area (excluding Pakistan)	553	733	327
Pakistan	-192	-274	232
Dollar area	74	-897	-1,149
OEEC countries	- 45	-213	- 127
Rest of non-sterling area	-244	-274	_ 27
Total	145	-924	- 744

Source: Reserve Bank of India.

APPENDIX TABLE 7-1

JAPAN: VALUE OF TRADE BY CURRENCY AREAS

(Monthly averages)

Million dollars

								1950			1951			1952	
							Jan-Jun	Jul-Dec	Jan-Dec	Jan-Jun	Jul-Dec	Jan-Dec	Jan-Mar	Apr-Jun	Jul-Sep
EXPORTS															
Dollar area .							27.7	33.1	30.4	26.9	23.4	25.2	28.2	32.3	32.2
Sterling area							13.6	24.0	18.8	42.3	51.5	46.9	68.2	60.1	39.7
Open account							8.7	21.7	15.2	39.8	32.4	36.1	33.1	22.2	18.5
Total .							50.0	78.8	64.4	109.0	107.3	108.1	129.4	114.7	90.5
IMPORTS												2344			
Dollar area .							19.3	28.1	23.7	94.9	68.4	81.6	71.7	85.1	71.7
Sterling area								13.4	16.7	34.4	37.1	35.8	46.0	36.2	43.4
Open account						- 7	13.4	18.2	13.4	35.2	17.6	26.4	17.1	18.3	19.0
		۰	٠		۰		47.9	59.7	53.8	164.5	123.0	143.8	134.9	139.5	134.2
	-				0		47.0	00.7	00.0	104.0	125.0	140.0	101.0	200.0	20412
TRADE BALAN	ICE														
Dollar area .				_			+ 8.4	+ 5.0	+ .6.7	- 68.0	- 45.0	- 56.5	- 43.5	- 52.8	- 39.5
Sterling area							- 1.6	+ 10.6	+ 2.1	+ 7.9	+ 14.4	+ 11.1	+ 22.2	+ 23.9	- 3.7
Open account							- 4.7	+ 3.5	+ 1.8	+ 4.6	+ 14.8	+ 9.7	+ 15.9	+ 3.9	- 0.5
Total .							+ 2.1	+ 19.1	+ 10.6	- 55.5	- 15.8	- 35.7	- 5.4	- 24.9	- 43.7

Source: Bank of Japan.

APPENDIX TABLE 7-2

INTERNATIONAL COMPARISON OF STEEL PRICES

Dollars

Commodity	Country	Price	1951 Jun	1952 Jun	1952 Sep
9 m.m. steel bar	Japan	QM E Q Q Q E	136.0 148.0 145.0	136.0 100.0 100-105	136.0 95.8 100.0
	U.S.A.	Q	81.5	81.5	87.0
	U.K.	Q	56.0	0.88	0.88
	Belgium	E	74.0 140-145	84.0 g) 120-125 b) 100-110	84.0 a) 116-125 b) 108-110
	Germany	Q		91.0	**
1.6 m.m. sheet steel	Japan	Q M E Q Q Q E	208.0 222.0 260.0	175.0 132.0 150.0	175.0 130.5 160.0
	U.S.A.	Q	79.3	79.3	82.0
	U.K.	Q	.::	114.0	114.0
	Belgium	E	106.0 206-230	120.0 a) 160-170 b) 150-170	120.0
	Germany	Q	79.0	113.0	
6 m.m. steel plate	Japan	QME QQQE	153.0 149.0 185.0	153.0 103.0 125.0	153.0 115.2 130.0
	U.S.A.	Q	81.5	81.5	86.0
	U.K.	Q		83.0	83.0
	Belgium	Q	84.0	95.0	95.0
		E	190-196	a) 140-160 b) 130-140	a) 150-157 b) 130
	Germany	Q	62.0	94.0	D) 130

Source: Bank of Japan.

Note: Q=quotation, M=market price (price quoted among dealers), E=export price. The Japanese quotations are those of the Yawata Iron and Steel Co., Ltd. Of the Belgian export prices, (a) are those bound for countries participating in the European Payments Union, and (b) for the dollar area. Some of the prices for sources other than Japan are based upon estimates.

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APPENDIX TABLE 7-3

JAPAN: PROSPECT OF BALANCE OF INTERNATIONAL PAYMENTS

Million dollars

								Forecast	for fiscal y	ear ending l	Mar 1952	Estimate	for fiscal y	ear ending N	Mar 1952
						-		Dollar area	Sterling area	Open ac- count area	Total	Dollar area	Sterling area	Open ac- count area	Total
Receipts: .								1,025	525	324	1,874	1,264	710	429	2,403
Export .								320	510	320	1,150	304	673	427	1,404
Special pro	cu	ren	ent					220	_	_	220	328	_		328
Services								485	15	4	504	632	37	2	671
Payments: .								1,145	574	311	2,030	1,084	467	286	1,837
Import .								944	541	306	1,791	933	442	283	1,658
Services								201	33	5	231	151	25	3	179
Balance								- 120	- 49		- 156	+ 180	+ 243	+ 143	+ 566
Trade balance								- 624	- 31	+ 14	— 641	- 629	+ 231	+ 144	- 254

Source: Tentative estimate of the Board of Economic Affairs.

APPENDIX TABLE 9-1

RATIO OF BANK CLEARINGS TO DEPOSIT MONEY^a

		19	5 0			19	51			1952	
	I	п	ш	IV	I	II	Ш	IV	I	п	Ш
Burma	0.64	0.68	0.64	0.71	0.83	0.67	0.62	0.65	0.77	0.77	0.779
Ceylon	1.10	1.11	1.29	1.12	1.02	1.03	1.11	1.10	1.09	1.16	1.27
China (Taiwan)	0.68	0.74	0.61	0.53	0.45	0.63	0.74	0.99	1.04	1.20	1.15
India	0.78	0.78	0.76	0.77	0.96	1.01	0.93	0.96	1.02	0.89	0.88
Japan	1.39	1.56	1.64	1.92	1.75	1.90	1.83	1.91	1.65	1.82	1.83
Korea (south)b	2.92	2.88	0.20	0.99	1.77	3.36	4.28	4.68	5.26	6.10	6.421
Malayac					4.22	3.88	3.41	3.84	3.51	3.30	3.57
Pakistan	0.43	0.39	0.43	0.49	0.66	0.41	0.36	0.46	0.50	0.40	
Philippinesd	1.20	1.21	1.24	1.25	1.54	1.47	1.67	1.72	1.75	1.67	
Thailandd	1.80	1.73	1.92	1.97	2.41	1.87	1.87	1.94			

- a. Averages based on monthly figures for bank clearings and end of months' figures for deposit money.
 b. End of quarter.
 c. Ratio of bank debits to demand deposits.

- d. Ratio of bank debits to deposit money.
 e. Average of 2 months.
 f. August.

APPENDIX TABLE 9-2 LIQUIDITY RATIO OF COMMERCIAL BANKS

(Cash as percentage of total deposits)

End-of-month averages

						19	5 0			19	5 1			1952	
					I	п	Ш	IV	I	п	Ш	IV	I	п	ш
Burma .					32	30	28	23	20	20	21	20	19	26	24
Ceylon .					28	17	22	24	24	25	26	30	25	27	23
India .					10	10	12	12	10	10	13	11	9	10	11
Indonesia					40	29	28	36	25	15	14	14			
Japan .					3	2	2	2	3	2	2	2	2	2	2b
Korea (south	()				13				21	24	25	20	16	23	22
Malaya .								lla	9	8	8	8	10	13	14
Pakistan .				1	16	13	11	11	10	14	18	14	11	11	11
Philippines					24	22	23	31	26	19	14	14			
Thailand					32	31	30	34	32	42	37	39	33	33	

- End of period.

 Average of 2 months.

APPENDIX TABLE 9-3

CEYLON: ANALYSIS OF CHANGES IN MONEY SUPPLY

Million rupees

	Factors affecting money supply	Changes	during	Jan-Jun	1952
	External banking assets (net)				-221.2
	(a) Commercial bank credit extended to government				
	sector (government securities and treasury bills)	+ 34.7			
	(b) Commercial bank credit extended to private sector				
	(loans, advances, bills, etc.)	- 19.9			
	(c) Shift from demand to time and other liabilities of				
	commercial banks	+ 3.5			
	(a) $+$ (b) $+$ (c)		+ 1	0.3	
	(e) Central bank's net domestic credit expansion to		T .	0.0	
	government sector		+ 6	32.0	
	(f) Total bank credit (d) + (e)				+ 80.3
0	Shift of government rupee cash to the public				+ 50.3
	Adjustments for items in transit				+ 7.3
	Total				- 83.4

Source: Central Bank of Ceylon.

APPENDIX TABLE 10-1 BURMA: DISTRIBUTION OF GOVERNMENT EXPENDITURE

Million kyats

	1949/50 A	1950/51 RE	1951/52 DE	1951/52 RE	1952/53 DE
Interest on debt	2.7	2.9	2.9	3.8	3.8
National defence	119.7	132.7	216.5	213.0	396.9
Economic development	20.3	20.7	28.8	25.9	35.7
Social services	22.0	35.0	56.2	54.2	86.9
Contribution to states	15.0	17.5	18.5	18.5	21.5
Other current expenditure	183.8	164.6	193.4	198.0	211.5
Investment	46.2	74.3	187.0	112.4	167.7
Loans and advances (net)	10.2	59.5	75.0	147.7	173.8
Total	419.9	507.2	778.3	773.5	1,097.8

Note: For fiscal years and notations following the fiscal years see note to text table 10-1. Defence: includes defence capital outlay. Loans and advances: 1951/52 (RE) and 1952/53: include loans and advances to railways and electrical departments to cover deficits and for capital outlays.

APPENDIX TABLE 10-2 BURMA: MAJOR COMPONENTS OF GOVERNMENT REVENUE

Million kyats

	1949/50 A	1950/51 RE	1951/52 DE	1951/52 RE	1952/53 DE
Total revenue	491.6	544.3	580.0	629.0	785.9
Tax revenue	401.8	460.5	513.5	552.8	613.0
Direct taxes	58.1	61.1	220.5	66.0	67.3
Taxes on income	48.7	45.1	197.5	44.5	45.0
Land taxes	9.4	16.0	23.0	21.5	22.3
Indirect taxes	343.7	399.4	293.0	486.8	545.7
Customs duties	112.3	150.0	160.0	193.1	210.0
Import duties	99.6	140.7	147.5	180.0	194.0
Export duties	. 10.9	10.0	12.6	12.0	14.6
Transaction & consumption taxe	8 47.4	66.4	66.4	63.6	66.3
Licences, registration fees, etc.	9.4	10.2	10.8	10.8	11.1
Other tax revenue		172.8	55.8	219.3	258.3
takings	. 52.6	28.6			

Note: For fiscal years and notation following the fiscal years see note to text table 10-1. Transaction and consumption taxes: excise duties plus "commercial taxes"; the latter include entertainment tax, hotel and restaurant tax, business premises tax and sales tax. Licenses, stamp duties, registration fees, etc.: include betting and motor vehicles taxes. Other tax receipts: net receipts from lottery, rehabilitation contribution and contribution to the National Development Fund (discontinued from 1951/52 DE) from the State Agricultural Marketing and State Timber Boards. Net receipts from public undertakings: civil supplies and electricity.

APPENDIX TABLE 10-3

BURMA: EXPENDITURE ON ECONOMIC AND SOCIAL DEVELOPMENT

Million kyats

	1949/50 A	1950/51 RE	1951/52 DE	1951/52 RE	1952/53 DE
Economic development	20.3	20.7	28.8	25.9	35.7
Social services	22.0	35.0	56.2	54.2	86.9
Education	15.4	26.0	44.3	37.1	56.6
Public health	6.5	9.0	10.9	13.0	27.8
Total current expenditure	42.3	55.7	85.0	80.1	122.6
Investment:					
Railways	13.3	8	B	a	a
Electricity	1.6	3.1	B	8	8
Aviation	.9	22.7	25.7	27.5	12.5
Civil works	22.5	27.5	68.5	40.9	74.2
Industrial development	7.4	12.5	28.7	22.7	18.9
Others	.5	8.5	28.4	21.3	62.1
Total	46.2	74.3	187.0	112.4	167.7
Loans and advances:					
Project boards	6.0	21.1	18.5	59.6	115.2
Railway board	-11.2	25.0b	40.0b:	67.4b	30.0b
Public utilities	- 5.2	- 2.3	- 4.3	9	- 1.2
Municipalities	1.6	1.9	2.4	2.3	3.3
Cultivators and credit					
societies	16.1	11.6	17.2	17.5	12.8
Others	2.9	2.2	1.2	1.2	13.7
Total	10.2	59.5	75.0	147.1	173.8

Note: For fiscal years and notation following the fiscal years see note to text table 10-1.

Economic development: current expenditure on irrigation, scientific agriculture, veterinary, cooperative and industries, marine and lighthouses departments.

Social services: current expenditure on relief, education, medical and public health departments.

APPENDIX TABLE 10-4

BURMA: RECONCILIATION OF BUDGET RESULTS WITH CHANGES IN CASH BALANCES

Million kyats

	1949/50 A	1950/51 RE	1951/52 DE	1951/52 RE	1952/53 DE
Budget balance	71.7	4.2	-229.9 - 81.0	—144.5 — 80.0	-311.4
Permanent debt	-	3.3	2.5	4.5	5.0
Floating debt	-16.5	5.5	5.0	- 4.6	-
Unfunded debt	7	3	1.1	3.5	5.5
Less debt redemption	- 2.1	- 1.1	- 1.1	- 1.5	- 1.1
Deposits (net)					
Depreciation and other					
reserve funds	.1	- 2.9	_	3	- 4
Fund for the contribution to					
Bank and Fund			81.0	80.0	
Other deposits	82.2	77.3	37.2	140.0	57.6
Remittances (net)	35.3	2.0	1.0	2.0	1.0
Changes in cash balances	170.0	77.1	-194.2	9	-243.8

Note: See note to Appendix Table XI-4 of Economic Survey of Asia and the Far East, 1951.

ASIAN ECONOMIC STATISTICS

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1. PRODUCTION OF SELECTED COMMODITIES

Monthly averages or calendar months

Thousand tons

	1938p	1948	1950	1951	1951					9 5 2	Γ		
	1550	1540	1930	1931	11	I	п	Apr	May	Jun	Jul	Aug	Ser
OAL													
India	2,400	2,551	2,735	2,905	2,879	3,209	3,119	3,236	3,225	2,895	2,906	2,878	2,80
Indonesia	121	45	67	72	72	77	79	79	84	75	86	85	
Japan	3,484	2,810	3,205	3,610	3,582	4,306	3,939	4,019	3,973	3,824	3,822	3,538	3,95
Korea, south	19	67	47	9	2	35	40	40	36	46	46	43	1
Malaya	40	32	35	32	33	24	28	30	27	27	34	29	2
Pakistana	195	20 30	37 42	43 52	44	67 67	41 68	47	42	34	42	42	3
Viet-Nam	195	30	42	52	49	6/	68	78	68	58	62	56	5
LECTRICITY (Mn kwh) Burma	_	2	3										
Cambodia	1	1	1	i	i	i	2	i	i	2	2		1
Ceylon	3	5	7	9	9	9		9	9				
China (Taiwan)		70	87	107	108	103	113	102	120	116	119		
Hong Kong		13	24	29	29	32	32	31	33	32	34	34	1 3
India	2119	381	425	489	492	488	501	489	514	500	534	532	5
Japan	2,004	2,644	3,236	3,426	3,648	3,470	3,758	3,732	3,847	3,696	3,874	3,681	3,6
Korea, south		41	34	26	19	46	49	45	48	55	55	53	1
Malaya		::	56	66	65	79	80	79	81	79	81		
Pakistan		11	15	19	17	21	23	22	24	24	23	* * *	
Philippines (Manila)	12	30	38	41	40	44	44	43	46	45	48	48	1
Thailandk (Bangkok)	3‡	4	4	5	5	5	5	5	5	5	5	00	
Viet-Nam	8	8	14	16	16	19	19	19	19	18	19	20	1
ETROLEUM, CRUDE	F.6	004	040	415	435	410							1
Brunei	59	224 361	343 534	415	415 589	419 623	684	636	721	202	700	709	1
Indonesia	616	14	25	620 28	32	26	26	26	26	693 25	728	26	
Japan		5	12	13	12	14	15	15	16	15	14	15	1
Pakistan	17	4	5	4	4	4	4			1			
Sarawak	11	-	3	-	-	1 -	-	**	**	**	* *	**	1
ON ORE	_		14	14	12	16	9	5	8	14	7	6	
Hong Kong	232	193	250	310		1	3		0			0	1
India	52	47	69	76	73	75	76	58	81	90	107	101	1
Japan	137	4/	42	72	100	40	98	89	113	92	122	130	li
Malaya	77	2	50	74	86	89	117	115	123	114	101	93	1
Philippines	1 "	-	50	1.2		00	***	110	120	***	101	0.0	
G IRON & FERRO-ALLOYS	131	124	142	154	156	161	150	156	153	141	152	156	1
Indiab	172	70	192	269	268	308	311	316	328	289	297	287	1 2
Japan	1/4	10	102	200	200	300	311	510	040	004	201	201	
TEEL INGOTS & CASTINGS	82	106	122	127	126	136	128	138	125	120	131	130	1
India	435	143	403	542	551	586	597	604	612	575	597	576	1
Japan	433	140	103	342	331	300	337	004	012	3/3	337	376	
NISHED STEEL	59	72	85	91	88	93	89	84	93	91	96	92	1
India	367	102	272	414	446	446	428	458	428	396	394	395	1
Japan	307	102	614	414	440	440	940	400	440	330	334	393	1
N IN CONCENTRATES (tons)	410	07	100	100	138	80	80	80	80	80	80	80	
Burma	419	97	129	138	400	400	400	400	400	400	400	400	
China	906	406	2,718	2,623	2,656	2,429	2,953	2,755	3,092	3,012	3,449	3,474	3,0
Indonesiα	2,517	2,592	28	37	41	46	52	57	52	48	56	57	3,0
Japan	135	3	5	8	8	8	8	37	8	8	30	8	
Laos & Viet-Nam	3,673	3,795	4,872	4,840	4,816	4,709	4,842	4,744	5,028	4,753	4,925	4,831	4,
Malaya	1,255	359	878	805	760	754	731	708	703	783	776	779	-4,
	1,200	000	070	000	,00	,01	701	700	700	700	110	170	
N METAL (tons)	5,456	4,209	5,821	5,581	5,628	5,303	4,913	5,150	4,830	4,758	5,492	5,796	6,
Malaya	0,400	4,203	3,041	3,301	3,020	0,303	4,313	3,130	4,030	4,730	3,432	3,730	0,
ATURAL RUBBERC	2.4	5.2	7.0	5.6	6.9	4.9	4.8	5.7	3.3	5.6	4.1	4.7	
British Borneod	0.8	1.0	0.8	0.9	1.5	1.4	0.2	0.2	0.3	0.1	0.1	0.1	
Burmad	2.4	1.4	1.2	1.3	1.2	0.9	1.3	1.1	1.3	1.6	1.7	1.6	
	4.3	8.0	9.6	8.9	7.6	7.5	6.4	7.1	5.6	8.8	8.1	8.1	
Ceylon	1.3	1.3	1.3	1.5	1.4	1.1	1.6	2.0	1.6	1.2	1.5	1.2	
Indonesia	27.0	36.6	59.0	68.2	75.1	65.3	57.7	63.0	58.2	52.1	78.4	58.7	4
Malaya	30.4	59.1	58.8	51.3	48.7	47.7	46.8	45.4	46.5	48.4	50.7	51.3	1
Thailandd	3.5	8.1	9.5	9.2	8.6	9.1	7.2	8.0	9.0	4.7	8.5	9.4	1
Viet-Nam	3.6	2.3	2.7	3.1	2.8	2.1	3.3	2.7	3.5	3.7	4.1	4.1	1
EGETABLE OILS	1			1			-		1				
Malaya: Coconut oil		7.88	7.66	8.98	7.81	8.26	8.63	8.44	8.56	8.90	10.02	9.81	10
	4.32	3.83	4.50	4.09	3.82	3.26	3.20	3.40	3.12	3.07	4.05	3.68	1 7
	2.00	0.00	2.00	2.00	0.02	0.20	0.20	0.10	0.11	0.07	1.00	0.00	1
OTTON YARN			2.0	0.4	0.0	2.0	2.5	2.4	2.5	2.5	2.6	2.6	
Hong Kong	49.3	55.0	43.7	49.0	48.3	2.6 51.0	52.4	52.4	53.5	51.3	39.4	57.2	5
	54.5	10.4	19.9	28.1	28.4	30.8	27.0	27.9	25.8	27.3	28.2	29.7	3
		0.5	0.8	0.5	0.5	0.5	0.8	0.7	0.8	0.8	0.8	0.9	1
Korea, south		0.3	0.8	0.3	0.5	0.3	0.0	0.7	0.0	0.8	0.8	0.9	
OTTON FABRICS (Mn metres)													
Ceylon (Mn sq. metres)	0.6	0.5	0.5	0.6	0.5	0.6	0.6	0.6	0.6	0.6	***		
India	325	337	275	319	349	324	346	334	358	344	388	379	1
Japane (Mn sq. metres)	243.6	64.4	107.4	151.8	157.4	162.5	152.1	156.7	148.3	151.5	147.0	154.7	10
Korea, south	**	2.1	4.1	2.5	2.5	2.6	3.5	2.8	3.5	4.1	4.9	4.7	
Pakistan		6.7	8.1	9.7	9.3	11.1	13.2	11.8	14.3	13.4	14.5	15.3	1
Philippines	**	0.6	0.7	8.0	0.9	0.7	0.6	0.6	0.6	0.6	0.5	0.4	

1. PRODUCTION OF SELECTED COMMODITIES (Cont'd)

PRODUCTION

Monthly averages or calendar months

Thousand tons

					1951				1	9 5 2			
	1938p	1948	1950	1951	п	I	п	Apr	May	Jun	Jul	Aug	Sep
UTE MANUFACTURES													
Indiaf	107.2	92.0	70.8	74.1	75.8	87.5	80.6	83.0	83.6	74.9	85.1	75.5	71.1
India (including paper products) . Japan	49.28 88.12	8.29 35.33	9.22 72.58	11.17 97.36	11.08 102.02	11.54 101.74	11.14 107.40	11.81	11.08	10.46	11.94	11.97 111.15	18.93
SOAP	00.12					7.43	6.56	7.37	6.22	6.10	7.41	6.82	7.10
Japan	15.97	6.40 1.26	6.16 8.03	7.06	6.77	10.22	13.22	12.48	13.56	13.62	14.89	15.69	14.2
Korea, south		0.32	0.22	0.10		0.24	0.22	0.11	0.14	0.40	0.64	0.29	
Malaya		1.92	1.42	1.54	1.42	1.33	1.32	1.30	1.33	1.34	1.35	1.23	1.30
CEMENT		100	00.0	00.4	36.8	27.6	40.0	43.0	41.7	35.3	43.9		
China (Taiwan)	**	19.6	27.7 5.7	32.4 6.0	5.4	7.1	6.1	5.2	7.3	5.7	6.9	4.5	4.
India	119	131	221	271	265	279	290	302	289	280	327	312	31
Japan	473.6	154.9	371.9	545.6	559.3	548.3	590.8	591.2	653.9	527.4	551.3	603.8	624.
Korea, south	* *	1.9	0.8	0.5		0.1	2.4	4.6	2.7		42.7	33.5	
Pakistan	13.9	20.7	35.1 24.9	42.3	42.4 27.6	43.0 27.5	50.1 27.2	49.8 25.6	51.8 28.2	48.8 27.9	23.8	25.8	
Thailand	9.71	6.9	13.8	19.0	17.5	21.4	20.6	22.3	19.9	19.7	20.2	18.7	20.
Viet-Nam	22.2	8.1	12.0	17.7	17.6	20.2	16.4	18.9	16.8	13.6	13.7	19.7	
SUPERPHOSPHATES													
China (Taiwan)		2.36	3.15	4.51	3.05	2.96	4.48	3.14	3.87	6.44	4.81	3.62	4-4
India	110 77	1.81	4.44	5.17	5.24	4.70	4.39	2.18	5.12	5.87	4.69 96.08	85.58	106.2
Japanh	119.77	79.64	117.33	125.47	119.84	141.79	110.19	143,30	107.20	100.00	90.00	00100	100.2
OTHER CHEMICALS India													
Sulphuric acid	2.051	6.77	8.68	9.05	8.45	7.41	7.92	6.11	8.94	8.72	7.70	7.30	8.3
Ammonium sulphate		2.98	4.00	4.46	2.77	11.92	14.14	14.76	14.16	13.51	14.47	18.34	19.
Soda ash		2.47	3.71	4.02	4.11	3.71	2.01	2.04	1.18	2.81	4.50	4.33	4.7
Caustic soda		0.37	0.92	1.25	1.00	1.46	1.23	1.39	0.45	0.50	0.54	1.63	0.
Liquid chlorine		0.15	0.34	0.45	0.39	0.10	0.48	0.03	0.45	0.08	0.04	80.0	0.0
Power alcohol (Mn litres)	::	1.43	1.70	2.20	2.21	3.40	2.99	3.16	2.76	3.05	3.77	2.12	1.
Industrial alcohol (Mn litres) .		1.11	1.86	2.67	3.21	2.96	2.72	2.94	2.66	2.58	2.00	1.80	1.1
Japan													
Sulphuric acidi	240.9	162.2	270.8	315.8	326.1	339.7	335.5 174.0	342.5 167.0	344.2 178.6	319.7	318.3	321.4	327
Ammonium sulphate ^j Calcium cyanamide ^j	72.9 17.9	79.3 19.0	130.8	139.5	148.1	153.1 37.8	48.5	54.1	51.8	39.5	37.4	45.0	51
Soda ash (finished)	19.41	6.3	13.8	18.8	21.1	16.8	15.0	15.2	14.6	15.2	15.1	13.7	14
Caustic soda	24.9‡	8.8	16.2	27.0	28.9	22.0	21.0	21.4	21.4	20.2	19.1	19.8	21
Liquid chlorine	18.0	0.5	1.4	2.0	2.2	2.1	2.4	2.6	2.3	2.2	2.2	2.2	1
Bleaching powder	1.59	0.42	0.75	5.2 1.18	5.1 1.36	1.03	0.96	0.92	0.99	0.97	0.81	1.25	1.
Dyestuffs	0.36	0.42	1.97	2.46	2.62	2.69	2.13	2.53	1.99	1.85	2.13	1.95	1.
Ethyl alcohol (Mn litres)	0.51	2.46	1.96	2.59	2.32	1.65	2.15	1.14	2.54	2.77	2.42	1.04	1.
MACHINERY & VEHICLES			1									1	
India (thousands)													
Bicycles		5.2	8.6	9.5	7.0	9.9	15.5	14.2	14.5	17.8	19.6	18.6	1
Diesel engines (Units) Electric motors (1000 h.p.)		85	383	604	479	613	270 12.6	350 13.8	13.0	139	321 12.6	13.7	1
Machine tools (1000 Rs.)		5.0 456	6.8	11.8	11.9	355	438	412	541	361	352	397	1
Sewing machines		1.7	2.6	3.7	3.9	4.3	4.3	4.6	4.5	3.9	4.1	4.2	
Electric transformers (1000 kva)	**	6.8	14.3	16.2	17.4	17.9	15.3	13.4	16.2	16.4	15.3	17.8	1
Electric lamps	**	771	1,192	1,293	1,073	1,754	1,565	1,544	1,681	1,469	1,793	1,760	1.7
Electric fans		15.0	16.1	17.7	20.8	17.8 286	19.1	19.5	20.1	18.1	18.1	18.2	24
Insulators, h.t.		7.5	14.5	20.4	15.8	39.1	12.7	18.8	10.5	9.3	11.5	12.3	1
Motor car batteries		9.2	15.6	17.5	19.0	17.9	13.5	14.7	12.0	13.9	11.3	11.8	1
Japan (Units)													
Railway locomotives	28	4	10	4	6	5	2	3	2	-	2	19	
Railway freight cars	406	367	186	503	243	399	138	46	62	307	369	548	8
Industrial locomotives Industrial freight cars	375		35	38	38	28	1 001	1 000	39	1 270	53	71	
Motor vehicles	592 2,987r	1,612		955 8,861	907	1,124	1,091	1,080	922	1,270	1,279	16,309	
Bicycles (1000)	87.9	28.1		82.3	80.8	74.9	79.7	76.2	77.7	85.3	77.0	87.7	
Vessels (gross 1000 tons)		15.5		37.5	12.8	59.2		47.6	57.6		11.0	39.5	
Diesel & other internal		0.000	0.00-	10.000	11	10.000	14 000	10 00-	14 000	10.00	10 000	10.00	
combustion engines Cotton ring spinning frames .		6,332	8,297		11,753	13,985		13,627	14,365		15,328		
Looms		3,070			576	3,413		2,679	2,025		1,397	254 1,525	
Sewing machines (1000)	3.1	15.0			94.4			134.6	138.1		140.9		
Machine tools	1,352	671			894			794	886		759		

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a. Including lignite.
b. Including direct castings, except for 1938.
c. Including latex.
d. Net exports.
e. Including mixed yarn predominantly of cotton.
f. Data beginning 1950 refer to the output of member mills of Indian Jute Mills Association.

g. Production of Cebu Portland Cement Company only.

n. Converted to 16 per cent phosphorous pentoxide content.

i. Converted to 20 per cent N2 content.

k. Relates only to the consumption of electricity generated by the principal Electricity Works.

p. 1936 for Japan, unless otherwise indicated; 1938 figures for India include territory now under Pakistan.

q. 1939.

r. 1937.

TRANSPORT

2. VOLUME OF TRAFFIC: RAILWAY, SEA-BORNE SHIPPING AND CIVIL AVIATION Monthly averages or calendar months

					1951				1	9 5 2			
	1938P	1948	1950	1951	п	I	п	Apr	Мау	Jun	Jul	Aug	Sep
RAILWAY TRAFFIC*													
Passenger-kilometres (Mn)													
Burma	59 74	40	14	28	32	35	40	41	42	38	31	32	86
Cambodia & Viet-Nam	2,385	4,925	5,396	5,078	10 5,616	5,116	11	12 4,826	10	10	10		**
Japan	2,185	6,595	5,750	6,421	6,691	5,780	6,912	6,992	7,490	6,254	6,498	7,290	6,565
Pakistan		656	761	820	793	860	812	824	855	758	851	829	
Philippines	40 25	109	30 120	32 152	38 164	31 204	39 209	39 236	220	39 169	172	172	159
Freight ton-kilometres (Mn)	25	103	120	102	104	204	203	230	220	103	1/2	1/2	108
Burma	95	52	7	17	19	28	26	30	26	24	20	20	18
Cambodia & Viet-Nam	28	7	11	16	18	17	21	24	23	16			
India	2,968	3,040	3,638	3,807	3,416	4,044	::	3,489	::				
Japan	1,305	2,109	2,560	3,074	2,993	2,917	3,218	3,257	3,295	3 101	3,101	3,197	3,291
Malaya	-	319	370	414	378	493	380	422	396	324	352	368	34
Philippines	14	10	13	12	11	13	12	12	12	11	10		
Thailand	38	25	40	45	46	47	44	44	43	44	44	50	
Freight tons (1000)													
Ceylon	77 40	102	108	127 23	139 29	137	142	151 10	147	127	136	129	1
Hong Kong	810	292	449	492	481	449	429	413	454	13	18	505	451
INTERNATIONAL SEA-BORNE SHIPPING													
Freight Loaded (L) and Unloaded (U) in External Trade (1000													
metric tons)						I							
Ceylon (Colombo) L	54	63	61	60	51	64	64	56	75	60			
Hong Kong L	109	141	162	178 142	193 149	159 123	191	223 95	168	181	108	121	117
U		197	325	261	292	233	282	271	316	258	196	228	257
Indonesiab L	916	432	704	746	961	624	726	782	675	721	922	725	1,020
Ignan L	167	160 165	233	212 309	284 294	166 366	210 453	226 359	227 417	177 583	238	664	544
Japan L	2,771	563	971	1,760	2,105	1,656	2,129	1.955	2,129	2,303	2,497		
Malayac (Singapore) L	-,,,,	121	197	217	235	194	195	215	179	191	206	188	18
U	**	163	329	410	406	406	420	423	402	434	412	372	32
Philippines (Manila) L U	192q	50 193	26 156	260 220	254 241	256 207	415 189	349 185	467 217	429 164	337		
Viet-Nam (Saigon) L	142	46	46	70	66	61	68	69	71	63	62	54	33
U	43	54	74	92	87	113	139	146	128	143	105	142	104
Entrances (E) and Clearances (C)					-								
of Vessels with Cargo in Ex-													
ternal Trade (1000 net registered tons)													
Burmad E	311	118	86	106	98	80	135	96	158	150	94	129	102
C	361	157	106	138	120	120	36	30	36	43	19	53	1'
India E	760 793	646* 567*	670	781 651	728 643	855 659	858 697	865 695	855 730	854 665	774 731	663 766	81: 72:
Pakistani E	793	241	311	371	355	480	379	411	399	327	471	315	12
C		176	259	283	282	334	276	308	290	229	293	352	
Thailand E	72	67	112	112	110	119	124	116	123	132	156		
C	100	92	138	133	115	134	128	106	129	148	143		
CIVIL AVIATION TRAFFICE													
Passenger-kilometres (Mn)		0.36	0.82	2.76	1.96	2.34	2.34	2.31	2.18	2.53	2.68	2.64	
Ceylon	0.11	23.65	31.30	34.49	36.68	34.68	31.04	33.30	31.04	28.78	29.90	26.20	
Indonesia		8.49	12.35	13.30	13.43	12.60	13.49	12.89	13.74	13.85	14.83	13.53	12.9
Philippines	0.21	14.57	15.62	17.47	19.26	15.86	18.52	18.43	18.51	18.64			1.9
Thailand	-	0.93	1.62	2.01	1.93	2.35	2.62	2.80	2.84	2.22	2.26	2.00	1.9
Freight ton-kilometres (Mn)				***	***	* 45			***		000		
Ceylon	24	475	1,868	196 2,204	343 1,917	147 1,550	1,662	176 1,521	126	118	206 1,408	184	
India	34	389	534	595	607	606	582	564	644	537	597	585	56
Philippines		540	637	793	904	803	726	815	845	517			
Thailand	1	17	43	59	53	72	74	62	68	92	72	84	9

a. Railway traffic coverage:

India and Pakistan: class I railways, broad and metre gauge only; Indonesia: Postwar data relate to Federal area only; Japan: State Railway only; Philippines: Manila Rail Road Company.

Annual data relate to: 12 months beginning 1 April of year stated for India, Japan and Pakistan; 12 months ending Sep of year stated for Burma for postwar; 12 months ending Jun of year stated for Philippines.

b. Postwar data relate to Federal area only.

<sup>e. Including coast-wise traffic of Malaya.
d. Total number of entrances and clearances made during each voyage but excluding sailing vessels. Annual figures relate to 12 months ending 30 Sep of postwar year stated.
e. Scheduled domestic and international routes.
p. Prewar data relate to 1936 for Japan, 1939 for Malaya, and April 1938 to Mar 1939 for Burma and Thailand; prewar figures for India include territory now under Pakistan for both railway traffic and sea-borne shipping.
q. 1937.</sup>

3. VALUE OF IMPORTS AND EXPORTS AND BALANCE OF TRADE

Monthly averages or calendar months

Millions

BORNEO (M\$)	2.1	1950	1951							-		
Imports				п	1	11	Apr	Мау	Jun	Jul	Aug	Sep
Exports		3.8	5.9	6.3	5.7	6.1	5.9	0.5				THE STATE OF
Balance + 0.3 -	2.5	7.8	10.2	10.5	7.0	5.3	5.9	6.5 5.6	5.9 4.5	5.1	5.6	5.8
MURMAa (K.) Imports 18t Exports 41t + 23 + 3 +	- 0.4	+ 4.0	+ 4.3	+ 4.2	+ 1.3	- 0.8		- 0.9	- 1.4	- 0.2	- 0.8	- 1.8
Exports Balance			,									
Balance	49†	44	54	43	59	80	68	96	74	91	68	. 74
Description	63†	63	82	100	97	111	122	103	108	100	53	31
Imports	+ 14	+ 19	+ 28	+ 57	+ 38	+ 31	+ 54	+ 7	+ 34	+ "	15	- 8
Exports	200	0.00	100	242	101	3.40	141	300	100		200	
Balance	83	97	130 159	141	151 143	147	141	129 136	170 127	141 115	102	14
CHINA (Taiwan) (NT\$) Imports Exports CHINA (Taiwan) (NT\$) Imports CHINA (Pr.) CHINA (P		+ 33	+ 29	+ 24	- 9	- 14	- 5	+ 7	- 43	- 26	+ 17	- 2
Imports Exports Salance Solance Sola		,				-		, .			1	_
Exports Balance IONG KONG (HK \$) Imports 52 Exports 51 Balance 1 NDIA‡ (Rs.) Imports 130 Overland 130 Overland 142 Overland 142 Overland 142 Overland 154 Exports 166 Exports 24 Balance + 8 NDONESIAc (Rp.) Imports 41		66	99	99	115	143	139	161	130	184	175	
Imports Sea & air-borne Sea &		50	90	135	117	184	245	151	157	116	98	
Imports 52 52 52 53 53 54 54 55 55 55 55		— 16	- 9	+ 36	+ 2	+ 41	+106	- 10	+ 27	- 68	- 77	
Exports Balance Balance Sea & air-borne Overland Sea & air-borne Sea & air-bor												
Balance	173	317	408	421	335	285	285	301	269	308	280	34
NDIA‡ (Rs.) Imports 130 Overland	134 — 39	313	372 — 36	+ 6	218 117	— 63	217 — 68	233 — 68	215 54	263 45	229 — 51	21
Imports 130	- 55	-	_ 50	7 0		- 00	- 00	- 00	- 34	- 40	- 31	- '
Sea & air-borne 130	523	508	785	740	895	740	810	786	625	591	588	41
Exports	452	472	718	657	851	725	793	772	610	579	570	44
Sea & air-borne 142 Overland	71	36	67	83	44	15	17	14	15	12	18	
Overland	378	521	620	700	578	493	449	511	518	543	552	4
Balance + 12 -	353	506	597	685	546	462	422	481	483	519	531	4
NDOCHINA (Pr.) 16 24 24 36 36 37 37 38 38 38 38 38 38	25 —145	15	23 —165	— 40	32 —317	31	27 -361	30 275	35 —107	24 48	— 21 — 36	
Imports 16 Exports 24 Balance + 8 - NDONESIAe (Rp.) Imports 41	-143	+ 13	-103	- 40	-317	-24/	-301	-2/3	-107	- 40	- 30	_
Exports	197	361	523	430	838	788	817	748	809	698		
Balance	98	136	232	195	250	222	184	191	290	157		
Imports 41	- 99	225	-291	-235	-588	-566	633	-557	519	-541		
	94	136	255	195	581	807	765	906	749	1,005	1,023	8
Exports	87	246	398	460	671	802	919	713	775	909	822	6
Balance + 16	- 7	+110	+143	+265	+ 90	- 5	+154	-193	+ 26	- 96	-201	-1
APANd (US\$)	c m	81	170	000	150	175	171	177	176	170	154	1
Imports	57 22	68	113	223 125	156 119	109	115	108	104	91	154	
Balance	- 35	- 13	- 57	- 98	- 37	- 66	- 56	- 69	- 72	79	- 54	_
OREA (south) (1000 Mn Won)				-								
Imports	0.7	0.4	10.2	7.6	17.1	37.2	28.4	35.5	47.6	101.5	82.4	64
Exports	0.6	2.7	4.1	2.2	9.7	21.5	12.0	40.9	11.7	41.6	17.3	20
Balance	- 0.1	+ 2.3	6.1	- 5.4	- 7.4	-15.7	-16.4	+ 5.4	-35.9	-59.9	-65.1	-4
MALAYA (M\$)					000	001	000				0.00	
Imports	149	243	396 506	406 574	358 376	321	332 337	330 305	300 287	308	277 324	3
Exports	- 2	+ 91	+110	+168	+ 18	- 12	+ 5	- 25	- 13	+ 3	+ 47	+
PAKISTANI (Rs.)		7 31	7 ***	7100	7 10		1 0	20	10	7 0	1	1
Imports	124	126	161	124	207	191	212	203	157	186	169	1
Seg-borne	99	114	143	115	182	171	193	182	138	162	152	1
Overland	25	12	18	9	25	20	19	21	19	24	17	
Exports	86	191	192	210	241	113	116	150	72	78	104	
Sea-borne	84	163	146	139	215	107	110	141	69	70	98	
Overland	_ 38	+ 65	+ 31	71 + 86	+ 34	- 78	- 96	— 53	- 85	-108	- 65	-
PHILIPPINES (P.)	30	7 03	7 31	7 00	1 04	10	30	03	00	100	03	
Importse	97.6	57.1	80.1	77.7	81.1	66.8	72.8	66.1	61.4	96.6	60.6	6
Exports	53.1	56.2	68.3	78.0	60.9	65.3	64.5	69.4	61.9	63.0	47.0	4
Balance	-44.5	- 0.9	-11.8	+ 0.3	-20.2	- 1.5	- 8.3	+ 3.3	+ 0.5	-33.6	-13.6	-2
THAILAND (Baht)										1	1	
Imports	146	240	309	327	446	454	457	478	427	492	474	4
Exports 17.	174 + 28	298 + 58	373 + 64	340 + 13	392	298 156	265 192	357	271 -156	319	299	-1

GENERAL NOTE: Trade statistics of China (Taiwan), Indochina and Indonesia are based on "Special" trade system while all other countries compile their statistics on basis of "General" trade system. Monthly data are not published for Brunei and Sarawak.

Annual figures converted into monthly averages are as follows:—
1953 1948 1950 1951

			19	38	194	18	19	50	1951	
Brunei (Mn	MS)								
Imports			0.	24	2.5	93	4.	59		
Exports			0.	55	4.1	10	17.	12	***	
Balance			+ 0.	31	+ 1.1	17	+12.	53		
Sarawak (N	Ink	(8)								
Imports			1.	86	8.2	28	24.	11	31.98	3
Exports			2.	18	14.5	27	31.	22	42.36	
Balance			+ 0.	32	+ 6.0	04	+ 7.	11	+10.38	š

- a. Figures for Jul-Sep 1952 relate to the Port of Rangoon only.
- b. Imports exclude M.S.A./E.C.A. imports.
- c. Figures for Jan 1952 cover the period I Jan—3 Feb. As from 4 Feb 1952, the rise in value over the preceding figures is principally due to a change in the conversion rate from 3.80 (excluding the value of the exchange certificate) to 11.40 rupishs per U.S. dollar.
- d. Including trade with Korea (south) and China (Taiwan). Post-war imports include aid imports. Post-war exports include procurements for U.N. forces in Korea (south) and U.S. forces.
- e. Imports valued f.o.b.

4. DIRECTION OF IMPORT TRADE

Monthly averages or calendar months

Millions

					1951				1	9 5 2			
	1938	1948	1950	1951	п	I	п	Apr	May	Jun	Jul	Aug	Sep
BURMA ^a (K.) from China . Hong Kong . India . Indonesia . Japan . Malaya . United Kingdom . United States	0.3‡ 10.0‡ 1.2‡ 0.5‡ 3.3‡ 0.6‡	1.4† 1.1† 12.4† 0.3† 1.7† 23.2† 1.8†	1.0 0.5 19.7 0.1 4.7 1.1 9.8 1.3	1.2 1.8 14.7 0.4 9.4 3.7 13.3 1.4	0.3 1.4 12.1 0.5 6.4 3.0 10.9	0.2 3.1 14.7 0.1 6.2 3.1 17.8 4.8	3.3 4.6 22.6 0.2 11.8 5.0 16.4 5.3			::	::	::	
CEYLON (Rs.) from Burma China India Indonesia Indonesia Inpan Malaya Pakistan Thailand United Kingdom United States Canada Australia	2.9 0.1 4.3 1.4 1.3 0.2 0.5 4.0 0.4 0.1	14.3 2.0 10.5 0.3 1.1 0.3 0.9 0.7 14.3 6.3 0.7	19.0 0·2 15.1 0.9 2.6 0.7 1.1 4.7 19.2 2.9 1.7 6.7	19.1 0.4 15.7 1.2 6.6 0.8 2.6 1.3 28.5 6.9 1.4 10.3	30.6 0.2 12.9 0.1 7.0 0.2 5.5 0.9 28.3 7.8 1.4	19.4 0.3 17.6 1.9 11.4 1.5 2.0 4.6 35.7 8.7 3.0 8.3	17.1 0.2 17.0 0.1 7.6 1.0 0.7 1.7 35.9 15.1 4.8 11.6	8.9 0.3 14.3 8.5 0.2 0.8 1.8 39.2 7.5 6.3 12.7	20.2 0.2 16.6 0.1 8.2 0.4 0.8 2.5 33.1 12.1 2.0 9.0	22.1 0.1 20.1 0.2 6.2 2.3 0.5 0.7 35.5 25.6 6.2 13.1	7.6 0.6 15.5 0.1 4.5 0.2 0.7 0.3 34.8 16.4 6.2 15.7	14.8 0.4 14.5 0.1 3.2 0.3 0.5 0.1 24.0 10.1 0.8 8.6	20.6 0.7 20.9 0.5 6.7 3.6 0.4 0.1 24.9 6.5 0.8 15.1
HONG KONG (HK \$) from N. Borneo Burma Ceylon China India Indochina Indochina Indonesia Japan Korea (south) Malaya Pakistan Philippines Thailand United Kingdom United States Canada France Oceania	0.2 0.4 	0.8 2.9 0.1 35.9 4.0 2.5 3.4 6.6 7.1 - 0.8 8.0 25.1 32.3 3.0 1.9 4.7	1.0 1.5 0.2 71.4 14.0 2.5 6.7 19.2 1.9 24.9 7.8 1.4 15.2 33.7 54.7 4.2 3.7 6.7	2.5 0.8 0.3 77.1 13.2 4.2 7.5 32.7 0.3 32.8 12.0 1.1 13.0 51.6 31.1 7.3	4.2 0.3 0.4 87.9 17.5 2.6 7.0 20.7 0.5 40.7 14.3 8.5 51.5 35.8 6.0 13.7 9.7	2.4 2.0 0.1 66.5 5.3 3.7 3.5 38.1 10.4 11.7 19.7 1.1 16.5 44.3 22.2 8.4 3.9 3.7	2.5 2.1 0.2 57.4 8.0 5.9 1.8 40.9 0.5 13.2 2.3 1.0 24.4 33.7 19.9 7.5 3.9 4.3	2.2 2.8 0.2 61.1 6.0 3.7 2.6 34.9 0.4 11.2 3.0 1.4 20.9 37.2 19.8 10.2 1.8 6.6	3.1 2.5 0.2 57.7 7.4 8.2 1.1 49.7 0.9 13.4 3.5 1.1 25.4 7.1 21.4 7.1 3.1	2.2 1.1 0.2 53.4 10.5 5.7 1.6 37.9 0.2 14.9 0.3 0.5 27.0 25.8 18.3 5.2 7.7 3.3	1.3 7.9 0.2 76.4 7.3 3.4 1.1 42.3 1.2 16.8 0.2 0.5 19.1 35.8 12.5 3.7 9.0 6.4	2.9 1.3 0.2 78.5 12.4 2.3 0.8 41.8 0.6 1.6 0.4 9.6 31.8 14.3 2.8 2.8 4.3	1.8 2.1 0.3 93.8 10.1 3.2 3.0 43.1 1.1 14.4 1.5 6.1 7.8 4.4
INDIAb (Rs.) from Burma	18.9 13.0 3.2 40.1 9.5 0.6 1.7	16.0* 1.1* 5.8* 12.5* 113.5* 86.6* 5.9* 19.5*	6.6 6.2 11.8 34.0 97.7 82.8 8.8 33.2	19.5 18.5 19.0 86.4 119.2 167.3 18.5 14.9	9.6 16.1 22.2 102.5 125.5 159.2 20.7 8.7	21.8 20.7 15.7 52.4 151.0 373.0 19.9 17.4	31.7 13.0 12.4 16.5 121.5 329.6 31.6 17.9	31.4 19.5 12.9 18.4 120.2 373.7 38.5 11.3	25.8 9.4 14.3 13.7 130.3 403.7 27.6 16.5	37.9 10.3 10.1 17.5 113.8 213.4 25.9 25.9	27.8 19.8 14.5 12.0 128.2 159.5 27.7 9.5	13.2 22.0 8.8 17.8 138.8 122.9 43.0 6.4	60.8 14.1 10.8 14.1 88.4 61.2 46.2 3.6
INDOCHINA (Pr.) from China	1.2 1.2 0.5 0.7 0.3 0.8 8.5	8.9 1.1 2.4 3.6 5.3 24.9 123.2	9.3 1.2 2.6 9.2 2.1 20.8 275.0	11.5 0.7 2.9 12.4 3.2 28.0 403.1	12.2 0.3 1.7 6.7 2.9 31.0 331.6	10.4 1.8 10.3 14.7 3.0 50.3 660.6	12.4 1.5 2.3 17.0 2.7 36.0 628.6	12.3 1.8 4.0 16.6 3.5 26.4 676.7	14.1 1.2 2.8 14.0 2.4 35.5 582.0	10.6 1.4 — 12.4 2.1 46.0 627.1	13.2 0.6 28.7 1.6 31.3 541.0	::	
Burma China	0.6 0.7 0.5 0.9 6.0 3.4 0.1 0.2 8.4 3.0 3.6 1.1	2.0 2.3 2.1 1.2 15.6 2.6 0.1 2.7 18.4 7.9 21.2 2.7	5.6 0.7 6.8 7.0 13.4 6.1 3.2 21.9 9.3 26.3 0.9	8.3 0.9 14.0 8.5 47.7 12.3 0.1 7.4 30.9 16.5 51.0 3.3	7.3 1.2 10.8 8.4 31.2 12.1 7.3 20.2 10.9 35.5 3.2	13.0 1.0 36.7 11.1 102.6 12.3 0.5 52.2 68.1 36.6 113.1 6.2	36.5 2.0 66.8 14.2 88.0 16.4 0.5 31.6 102.1 50.3 147.9 16.1	39.4 1.7 51.4 7.0 77.0 16.8 0.4 38.2 75.8 37.8 138.3 12.1	30.3 2.4 83.9 21.7 104.3 20.2 0.9 39.8 119.6 57.1 154.6 19.4	39.8 1.9 65.0 13.9 82.6 12.3 0.2 16.7 110.9 56.0 150.9 16.8	34.4 2.3 88.6 18.9 123.3 25.1 0.5 41.6 135.0 77.8 181.6 8.0	37.6 2.5 94.2 19.0 120.3 18.4 0.3 44.0 126.1 64.2 147.0	26.4 6.8 82.0 21.4 114.1 12.8 0.9 21.6 124.0 65.7 161.3 8.9

4. DIRECTION OF IMPORT TRADE (Cont'd)

EXTERNAL TRADE

Monthly averages or calendar months

Millions

					1951				1	9 5 2			
	1938	1948	1950	1951	п	1	п	Apr	May	Jun	Jul	Aug	Sep
JAPAN ^c (US\$) from													
China	22.9	2.1	6.5	6.7	8.0	8.6	6.8	6.9	8.5	4.9			
Hong Kong		0.3	-	0.5	0.8	0.4	0.4	0.4	0.4	0.4	0.8	0.7	
India	4.1	2.3	1.5	5.4	8.1	3.1	4.8	4.5	4.2	5.6	7.5	9.1	
Indonesia	2.1	1.0	1.1	5.2	7.4	1.4	1.5	1.4	1.4	1.7	1.7	2.8	
Korea	16.5	0.4	1.3	0.5	0.9	0.7	2.2	1.2	3.2	2.4	1.6	2.7	
Malaya	2.4	0.9	3.3	5.4	6.3	4.5	5.5	5.4	3.5	7.4	4.8	3.5	
Philippines	0.8	0.8	1.9	4.4	5.4	3.1	4.2	4.5	3.5	4.5	5.8	4.8	
United Kingdom	1.5	0.4	0.5	3.0	3.0	3.5	3.3	1.9	4.1	4.1	1.7	1.8	
United States	21.7	36.7	35.6	62.9	83.8	59.9	79.7	72.9	79.1	87.2	78.7	55.5	
Australia	2.0	0.7	6.4	12.7	17.8	12.3	9.4	11.5	8.9	7.7	6.8	11.9	
Canada	2.2	0.3	1.3	7.7	9.7	7.0	8.6	7.0	8.1	10.7	9.8	12.9	
MALAYA (M\$) from													
N. Borneo	0.2	1.3	4.3	4.7	3.6	3.3	2.3	3.1	1.8	2.1	2.1	1.8	1.5
Brunei	0.1	0.1	0.4	0.6	0.5	0.4	0.2	0.3	0.3	0.2	0.2	0.2	0.5
Sarawak	2.0	6.4	13.6	18.1	17.1	14.7	13.0	14.2	10.1	14.8	15.3	14.8	26.
Burma	2.1	7.7	3.4	6.7	4.9	6.4	6.3	4.7	6.5	7.8	6.3	2.2	8.
Ceylon	0.1	0.3	0.3	0.4	0.6	0.3	0.6	0.4	0.8	0.6	0.5	0.6	0.5
China	2.0	9.5	10.3	12.5	13.2	14.9	18.5	16.8	20.9	18.8	8.5	11.5	11.
Hong Kong	6.7	3.8	7.5	10.7	11.0	9.4	8.2	8.6	8.9	7.2	6.8	6.6	8.
India	1.4	2.9	16.3	17.2	19.5	8.0	7.1	6.8	8.0	6.5	8.2	11.5	19.
Indochina	1.2	2.5	1.5	3.4	2.9	3.9	3.0	3.9	2.4	2.7	1.9	2.8	1.
Indonesia	12.7	29.4	64.2	119.0	127.2	80.4	67.4	73.2	62.2	66.9	80.5	65.0	79.
Japan	1.0	1.1	7.8	20.3	25.2	27.9	25.9	28.9	28.6	23.3	16.8	14.7	13.
Thailand	7.3	10.7	26.5	31.9	25.1	25.6	25.0	23.3	26.4	25.3	27.6	25.3	24.
United Kingdom	8.5	28.7	42.2	65.7	62.4	82.5	66.8	76.8	75.0	58.7	64.9	60.7	48.
United States	1.4	17.4	7.4	18.2	18.8	21.2	16.2	17.0	18.4	13.4	10.7	8.1	12.
Canada	0.4	1.9	1.4	2.8	2.9	4.6	3.6	2.7	3.8	4.4	2.9	2.2	1.3
Oceania	1.2	7.9	9.5	12.2	10.5	15.3	13.8	8.2	16.2	17.2	10.6	13.5	10.5
PAKISTANd (M\$) from Burma		0.7	0.0	0.0	0.0	0.0	0.0	0.4	0.9	0.9	0.0	0.0	
	* *	0.7	0.3	0.3	0.2	0.6 3.2	0.8	2.4	1.9	2.1	0.2	0.8	- *
		5.7	5.1	4.7	6.8	1.2	0.3	0.5	0.3	0.1	0.3	0.3	
India	* *	37.4	11.5	7.0	6.4	12.3	14.1	10.8	13.7	17.6	13.7	11.7	
Japan		0.8	14.4	29.9	28.9	44.6	41.7	47.0	43.8	34.3	29.0	23.0	
Malaya		1.8	1.2	2.9	1.0	2.7	1.4	1.7	1.9	0.6	3.4	1.9	1
United Kingdom		22.5	25.0	30.9	26.9	33.2	44.2	52.4	46.1	34.0	43.3	38.0	
United States		6.6	8.7	8.8	5.8	13.2	10.1	11.0	11.1	7.9	12.2	7.7	
PHILIPPINES (P.) from													
China		3.8	-	-	-	_	0.1	0.1		-	0.1	-	-
Hong Kong		0.1	1.5	1.4	1.1	0.8	0.8	0.6	1.0	0.9	1.6	0.7	1.
India	* *	1.1	0.4	0.7	0.5	0.5	0.3	0.4	0.1	0.3	1.0	0.3	0
Indonesia		2.5	0.7	1.8	1.4	3.4	1.4	1.5	0.9	1.9	5.2	0.7	1
Japan	**	0.3	2.4	5.5	8.3	3.1	3.6	4.3	2.6	3.9	3.9	3.3	1
Thailand		0.1	0.2	2.4	2.4	_	-	_	-	-	1.3	1.3	3
United Kingdom	**	78.3	0.9 42.5	1.1 56.9	0.9 53.5	1.2 59.8	0.8 51.3	0.8 56.8	0.8 54.0	0.7 43.2	1.0 57.2	0.9	46
THAILANDe (Boht) from												12.0	-
Burma		0.4											
China	1.4	11.1			**		**	**	**	**	**		
Hong Kong	0.1	36.3								**			
India	1.3	2.9		1									
Indochina	0.1	2.2		1						1			
Indonesia	0.8	1.2		1									
Japan	1.6	3.4											
Malaya	1.0	47.5											
Philippines		1.1											
United Kingdom	6.6	10.0											
United States													

ions

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0.6 0.7 0.9 0.5 6.7 3.6 0.4 0.1 4.9 6.5 0.8 5.1

1.8 2.1 0.3 3.8 0.1 3.2 3.0 3.1 1.1 4.4 4.4 4.2 7.5 6.1 7.8 4.4

0.8 4.1 0.8 4.1 8.4 1.2 6.2 3.6

6.4 6.8 2.0 1.4 4.1 2.8 0.9 1.6 4.0 5.7 1.3

<sup>a. Figures for the second quarter 1952 relate to the Port of Rangoon only.
b. Overland imports from Pakistan in 1948 excluded.
c. Imports from India include Burma and Pakistan in 1938 and Pakistan in 1948.
d. Excluding overland trade. Data beginning 1952 exclude government trade.
e. Prewar data relate to year ending Mar 1940.</sup>

5. DIRECTION OF EXPORT TRADE

Monthly averages or calendar months

Millions

mau	3000	1040	1000	1051	1951				1	9 5 2			
FROM	1938	1948	1950	1951	11	I	11	Apr	May	Jun	Jul	Aug	Sep
BURMA ^a (K.) to Ceylon China Hong Kong India Indonesia Japan Malaya Pakistan Philippines United Kingdom United States	2.2‡ 0.2‡ 0.3‡ 22.0‡ 0.6‡ 0.8‡ 2.8‡ 	11.6† 3.7† 1.6† 25.2† 2.7† 0.1† 10.1† 	18.9 1.9 1.3 11.4 8.6 8.1 3.5 0.5 	17.6 0.7 0.9 19.4 9.8 11.5 6.9 0.6	30.1 	18.8 	5.9 0.8 12.6 5.9 4.8 2.3 1.5 						
CEYLON (Rs.) to India	0.7 0.1 11.8 2.8 0.8 0.9 0.5	1.7 0.1 1.5 25.1 13.8 3.3 7.0 1.8	2.4 0.1 3.2 30.5 27.7 7.8 9.5 3.2	3.9 0.6 2.8 48.8 16.5 6.1 11.0 3.2	1.9 0.6 2.8 53.6 18.2 6.2 13.0 2.4	3.8 0.6 3.8 37.2 16.6 6.6 6.7	3.0 0.9 2.9 40.1 11.3 5.1 8.6 1.6	1.3 0.7 2.9 47.9 10.1 8.2 7.5 0.5	3.4 1.0 4.0 41.0 12.9 2.4 8.5 0.3	4.3 0.9 1.7 31.3 10.9 4.7 9.8 3.9	1.8 0.8 5.0 36.6 13.7 5.0 9.7 0.4	3.2 1.1 4.0 28.6 12.7 3.3 11.4 4.5	4.5 1.1 3.1 26.4 12.2 8.8 5.6 0.7
HONG KONG (HK\$) to N. Borneo Burma Ceylon China India Indochina Indonesia Japan Korea (south) Malaya Pakistan Philippines Thailand United Kingdom United States Canada Oceania	0.1 0.3 0.1 19.2 0.4 1.9 1.2 0.3 3.1 0.8 1.3 1.8 4.3 0.2 0.3	0.6 1.0 0.6 23.4 4.0 1.6 5.7 4.1 17.1 ————————————————————————————	1.2 2.4 0.8 121.6 2.0 1.9 10.2 10.1 1.9 45.2 10.9 6.9 8.2 14.0 25.7 0.8 3.6	1.3 3.4 0.7 145.3 2.2 2.8 20.4 16.0 1.8 61.7 15.6 5.8 7.5 17.9 13.5 14.6.7	1.4 3.1 0.4 170.5 3.0 2.5 26.3 16.9 1.6 68.6 24.4 4.3 5.4 22.9 9.1 1.9	1.6 4.1 0.6 37.4 0.6 2.6 23.2 8.6 1.1 43.1 11.4 2.5 18.7 10.5 19.8 1.5 2.4	1.3 7.5 0.3 52.8 0.9 3.0 35.8 2.9 32.8 1.5 4.0 28.4 4.5 8.7 1.4	1.4 4.0 0.2 49.9 0.5 3.1 26.8 7.2 2.5 35.8 0.6 27.5 6.2 12.1 1.6	1.1 8.8 0.4 47.7 0.9 3.4 38.8 6.5 4.8 33.0 1.2 4.9 37.1 4.1 9.4 1.5	1.2 9.5 0.4 60.7 1.4 2.4 41.9 6.6 1.5 28.4 2.8 4.1 20.5 3.3 4.7 1.0	1.4 5.5 1.0 69.4 2.8 53.0 15.3 2.2 34.1 2.3 4.4 2.3 4.2 2.8 5.1	1.1 2.4 1.3 49.6 2.4 3.2 61.6 14.9 2.5 29.3 3.3 2.9 15.3 5.5 3.0 1.3 2.2	2.4 3.0 1.0 84.9 1.1 3.3 63.3 12.6 0.7 32.0 6.9 3.5 14.9 11.2 4.7 1.9
INDIAb (Rs.) to Burma	8.4 4.2 1.3 46.0 11.2 1.7 2.5	10.0° 9.5° 5.6° 40.6° 78.3° 59.7° 6.9° 17.2°	18.8 14.0 2.0 23.8 95.7 80.5 10.5 23.3	15.5 14.2 5.0 27.0 156.6 108.4 14.3 37.4	12.4 12.0 3.9 24.6 157.9 132.8 21.0 37.1	17.3 17.6 8.2 57.1 124.8 98.8 13.0 31.9	27.2 13.7 56.5 78.4 94.0 9.9 26.5	17.6 10.5 40.9 74.6 95.4 9.5 32.6	30.2 14.3 — 66.8 78.5 86.1 8.4 27.2	33.6 16.2 61.9 80.9 101.0 11.7 19.6	20.3 13.6 2.9 43.8 89.7 99.3 10.1 21.0	22.0 15.1 1.5 30.5 91.8 97.3 13.6 9.5	14.7 14.8 17.7 110.0 96.1 11.9 6.8
INDOCHINA (Pr.) to China	0.6 2.3 2.5 0.1 2.1 11.4	2.1 11.2 9.4 3.7 2.2 42.6	0.4 15.5 11.6 3.1 25.6 49.9	1.0 21.3 25.0 3.7 25.0 87.9	14.9 19.7 3.3 14.6 71.0	0.1 32.2 26.8 5.1 17.0 89.1	30.7 20.4 6.9 10.9 42.9	13.6 25.2 5.6 6.7 43.9	37.1 9.6 7.4 11.4 24.8	41.3 26.3 7.5 14.8 60.1	18.0 14.1 14.2 9.8 54.3		
INDONESIA (Rp.) to Burma	1.1 0.4 1.8 10.7 0.5 0.2 11.5 3.1 8.2 2.4	1.6 0.1 2.1 16.6 0.8 0.3 31.0 1.7 15.2 0.8	1.2 0.8 3.2 83.2 1.4 1.0 55.4 8.3 37.2 4.2	1.6 1.2 12.7 131.8 2.1 1.5 82.7 24.7 65.3 9.4	0.9 1.7 19.9 183.5 3.3 2.0 90.0 26.7 89.9 14.4	0.1 2.7 0.8 5.9 162.5 2.4 3.6 120.9 18.5 154.5	0.1 1.3 0.3 11.1 183.9 3.8 4.1 165.1 22.8 155.0 16.5	1.5 0.1 11.7 231.7 2.3 4.1 163.9 31.4 175.7 9.9	1.5 0.1 13.6 130.0 5.9 3.6 147.1 19.6 163.4 19.4	0.2 0.8 0.8 8.1 190.2 3.4 4.8 184.2 17.3 126.0 20.3	3.4 3.0 30.4 257.3 10.0 7.1 178.8 13.9 206.4 20.5	0.2 1.1 0.2 32.2 151.9 11.7 6.2 210.9 17.4 189.4 20.9	4.9 0.1 21.0 179.7 5.8 6.6 162.7 10.9 106.0

5. DIRECTION OF EXPORT TRADE (Cont'd.)

EXTERNAL TRADE

Monthly averages or calendar months

Millions

					1951				19	5 2			
FROM	1938	1948	1950	1951	п	I	п	Apr	May	Jun	Jul	Aug	Sep
APAN° (US\$) to													
China	35.0 4.5 2.5 21.6 0.5 0.8 3.2 10.1	0.3 0.7 4.7 1.5 0.5 0.3 1.4 5.5	4.8 5.3 1.7 3.9 1.5 1.5 2.2 14.9	4.7 5.1 4.3 10.7 1.2 5.7 3.2 4.5 15.4	4.3 2.8 5.3 16.5 1.3 6.5 6.1 3.8 14.6	4.1 6.8 4.3 6.4 1.7 7.9 1.4 7.2 14.9	5.5 7.1 3.4 3.5 4.9 5.8 2.0 10.5 15.4	6.0 7.2 2.2 2.7 1.6 6.4 1.7 10.7 14.0	5.8 7.8 3.9 3.2 2.7 6.7 2.0 11.9 14.3	4.8 6.2 4.0 4.5 10.4 4.3 2.1 9.1 17.9	6.2 4.9 4.8 6.1 0.8 1.5 7.0 18.1	7.0 3.1 5.4 6.1 0.7 1.6 2.8 21.6	
MALAYA (M\$) to													
N. Borneo Brunei Sarawak Burma Ceylon China Hong Kong India Indochina Indochina Indonesia Japan Korea Pakistan Philippines Thailand United Kingdom United States Canada Oceania	0.2 0.1 0.7 0.3 0.2 0.3 0.6 1.8 0.1 3.4 4.5 0.1 1.3 6.8 14.4 1.5 2.5	1.2 0.2 2.6 1.0 0.8 1.3 3.4 5.3 0.7 16.1 1.6 	2.6 0.5 4.9 1.1 1.9 10.4 16.3 1.0 21.4 9.6 0.1 1.0 45.6 87.3 8.2 14.1	3.5 0.6 5.8 4.1 2.0 8.6 17.9 9.7 1.5 40.6 13.1 0.6 2.1 1.4 8.9 9.5 12.8 28.3	4.2 0.8 7.7 4.1 0.9 6.0 16.5 10.5 13.6 0.2 1.4 2.0 7.4 101.6 127.5 14.6 43.6	3.8 0.9 5.7 3.6 0.9 1.1 2.9 8.2 2.0 33.3 14.0 0.2 2.1 1.9 13.5 81.0 74.6 5.7 13.0	3.3 0.9 5.2 3.5 0.6 0.3 4.0 6.0 1.3 35.5 12.4 0.9 2.1 12.4 63.4 51.6 14.6	3.0 1.0 6.5 3.5 0.4 0.2 2.9 5.1 1.2 33.8 11.0 0.1 0.6 2.7 11.9 73.3 4.4 12.3	3.9 0.8 5.9 3.5 0.6 0.2 4.8 1.5 43.3 15.0 0.6 1.5 12.9 64.2 37.8 7.9 11.5	3.1 0.8 3.1 3.6 0.8 0.4 5.0 7.9 1.2 29.3 11.2 0.1 1.5 1.9 10.1 54.0 42.9 4.4 20.0	3.4 0.6 5.6 3.9 3.3 0.4 3.8 6.6 2.1 35.2 12.7 0.1 3.2 2.0 12.4 76.8 38.2 5.0 14.7	3.0 0.9 6.3 4.8 0.4 1.0 7.0 13.1 1.3 35.9 14.7 0.1 0.5 5.8 9.0 71.9 39.6 5.2 18.5	2.6 0.7 6.1 4.9 0.7 0.1 2.8 11 2.8 11 2.1 11 68 44 42
PAKISTĀN ^d (Rs.) to		0.31	0.1	1.0	0.2	0.3	0.1	0.1					
Burma . Ceylon China Hong Kong India Japan Malaya United Kingdom United States		1.2‡ 2.7‡ 2.1‡ 19.1‡ 1.0‡ 0.1‡ 12.3‡ 10.9‡	0.8 2.6 9.6 2.9 12.1 0.1 36.2 10.1	1.5 12.5 9.4 6.4 21.2 0.1 26.4 8.8	2.0 4.4 3.6 16.1 13.4 0.2 23.1 12.7	0.2 14.9 5.7 0.2 53.4 0.1 43.1 5.4	0.1 0.2 45.2 0.5 0.2 8.1 0.1 7.6 6.4	0.1 0.1 41.3 0.9 0.1 11.5 0.1 11.4 4.4	0.2 0.3 71.6 0.7 0.1 8.6 — 5.7 10.2	0.1 0.1 22.6 0.3 4.3 0.1 5.5 4.7	0.1 0.4 37.5 1.0 0.1 4.5 0.1 7.1 4.7	0.2 59.8 0.7 0.1 6.9 0.1 5.5 5.1	
PHILIPPINES (P) to													
China		0.3 0.5 0.3 0.9 2.6 0.3 0.1 0.1 0.6 34.8	0.2 0.4 0.1 	0.1 0.3 0.2 0.2 5.0 0.1 2.1 43.0	0.2 0.3 0.3 0.7 5.5 — — 2.3 48.5	0.3 0.2 0.1 5.0 0.3 0.1 1.7 39.6	0.3 0.2 0.1 0.1 6.3 0.2 0.1 0.1 0.9 49.0	0.1 0.3 — 0.1 5.8 0.4 0.1 0.1 1.4 47.1	0.3 0.2 5.8 	0.7 0.2 0.1 0.1 7.3 0.1 0.1 0.1 0.7 44.7	0.1 0.1 0.1 7.6 0.1 	0.1 0.1 7.9 — 0.1 0.6 26.6	6. 0. 0. 0. 0. 0. 23.
THAILANDe (Baht) to													
N. Borneo Ceylon Hong Kong India Indonesia Japan Korea Malaya Philippines United Kingdom United States	0.5 2.0 2.0 0.2 1.0 	2.1 1.4 16.3 16.7 8.0 0.5 1.9 39.6 5.5 4.5	3.8 21.0 8.8 9.4 30.3 51.2 0.7 3.0 55.1	11.2 20.8 18.6 35.9 1.9 50.6 11.1	2.0 8.4 17.5 8.4 40.8 36.3 6.8 115.5	1.9 3.8 19.2 12.4 37.0 55.5 32.5 —	4.3 2.2 26.7 33.2 8.0 24.2 5.3 3.58	6.6 6.3 26.3 15.9 0.7 5.0 23.8	5.7 0.2 30.7 57.4 1.8 42.3 40.4 86.2	0.7 23.2 26.4 22.6 25.2 5.8 43.8	6.0 8.4 16.6 17.8 51.1 39.6 6.2 0.2	36.0 39.0 11.0 0.8	122 7 17 61 50 3

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<sup>a. Figures for the second quarter 1952 relate to the Port of Rangoon only.
b. Overland exports to Pakistan in 1948 excluded.
c. Exports to India include Burma and Pakistan in 1938 and Pakistan in 1946.</sup>

Excluding overland trade. Data beginning 1952 exclude govern-ment trade.

e. Prewar data relate to year ending Mar 1940. Data from 1950 onwards relate to exports of rice and rubber sheets only which account for 65 per cent of total exports in 1948 and 1949.

6. VALUE OF IMPORTS BY PRINCIPAL COMMODITIES AND/OR COMMODITY GROUPS

Monthly averages or calendar months

Millions

					1951				1	952			
	1938	1948	1950	1951	11	I	п	Apr	Мау	Jun	Jul	Aug	Sep
BURMA (K.)													
Cotton yarn and fabrics (incl. thread)	3.4‡	9.2†	10.6†	13.3	8.8	7.4	15.3	13.6	21.4	10.9	25.9	13.7	18.2
Base metals and manufactures thereof	2.11	5.9†	1.9†	3.1	3.2	4.1	7.5	7.5	6.5	8.4	6.5	6.7	6.8
Machinery and transport equipment	1.8‡	9.3†	4.3†	3.9	3.4	6.6	7.6	6.8	7.0	9.0	7.1	6.1	7.2
CEYLON (Rs.)													
Food and drink	8.7	42.5	48.9	57.0	66.8	66.4	64.3	58.3	51.7	83.0	53.7	49.5	74.5
unmanufactured	2.8	8.8	9.9	13.5	12.3	16.2	11.1	12.5	6.6	14.3	26.6	6.7	15.0
factured	7.8	29.9	37.7	58.2	60.3	66.7	69.8	68.2	69.0	71.1	58.9	45.0	55.9
Cotton yarn and manufactures . Machinery and vehicles Base metals and manufactures	1.4	10.3	10.5	11.8	12.3	11.6	12.2 16.8	17.4	12.7	10.6	9.9	9.7	9.5 10.7
thereof	0.9	2.6 0.9	3.7 1.4	6.1 2.3	6.0 2.0	6.6 2.0	6.4 1.6	6.5 1.8	5.9 1.3	6.9	7.6 1.6	4.8 1.2	7.5 1.4
INDIA (Rs.)													
Food and drink	14.9	73.7	102.6	175.8	151.6	257.4	266.7	282.3	271.0	245.4	187.1	156.2	144.5
Raw materials and articles mainly unmanufactured	30.5	88.3	148.7	186.9	216.8	257.9	206.3	149.4	231.4	140.0	130.0	136.5	128.2
Cotton, raw and waste	9.2	38.8	72.7	94.3	135.6	163.3	123.0	162.7	150.5	55.9	38.6	53.3	63.9
Mineral oils	13.6c	26.7	45.7	53.2	53.1	57.7	63.4	64.4	59.6	66.5	65.1	62.9	43.8
factured	78.0	224.5	203.8	270.7	280.5	300.2	241.9	248.1	261.1	212.8	254.9	274.6	193.7
Machinery and vehicles Implements and instruments .	22.1 4.9d	89.4 7.7	94.9	104.1	99.4	131.7	103.7	97.4	112.7	100.8	107.7 B.B	107.1	75.4 5.9
Electrical goods and apparatus Base metals and manufactures	2.8	8.0	8.5	7.6	7.4	10.5	9.8	9.4	10.5	9.5	12.4	12.6	10.1
thereof	8.9	26.4	40.0	33.2	33.9	42.1	38.9	42.2	39.9	31.6	46.5	35.9	30.5
INDOCHINĀ (Pr.)				1									
Live animals and food Textiles and apparel, incl. yarn	1.0	15.6	41.4	83.4	44.7	87.4	68.0	60.0	71.1	146.8	129.5		••
and thread	4.4	42.5	99.7	167.9	106.3	196.9	174.0	179.2	162.9	213.2	188.9		
tures thereof	3.3	56.8	76.1	128.0	89.8	174.5	190.4	194.9	191.0	202.8	184.1		
INDONESIAa (Rp.)													
Food	7.3	9.5	18.3	27.0 61.7	23.3 52.1	107.7	209.6 185.4	270.8	208.5	149.4	202.8	218.9	120.5
Base metals (incl. ores) and manufactures thereof	4.9	4.2	4.6	12.1	9.0	53.1	74.1	69.9	81.1	71.4	96.5	90.9	85.1
Machinery and appliances (incl.		0.0	7.0	0.0		100	00.5	00.1	04.0	040	40.0	00.0	
electrical material)	5.1 3.0	6.8 3.7	7.2	8.6 6.6	5.7 2.8	18.6	32.5 13.8	29.1 8.8	34.0 20.8	34.3 11.6	46.2	39.6 20.5	
JAPAN (US\$)													
Food		26.7f	28.0	46.5	63.7	42.2	54.8	53.7	55.1	55.7	56.0	46.3	
Crude materials (inedible) other than fuels				108.2	137.1	80.3	78.8	76.9	82.3	77.2	74.5	69.9	
lated materials				13.9	15.1	18.0	23.1	22.8	21.7	24.6	23.7	18.5	
Chemicals	**	3.9	4.8	3.1	3.4	3.2	3.8	4.0	3.2	4.1	3.4	3.4	
Manufactured goods				5.4	4.8	4.4	4.5	5.3	4.4	3.8	2.4	4.2	
Machinery and transport equipment		-	0.6	5.1	4.3	6.4	7.4	6.1	7.7	8.3	5.6	6.3	

6. VALUE OF IMPORTS BY PRINCIPAL COMMODITIES AND/OR COMMODITY GROUPS (Cont'd)

Monthly averages or calendar months

Millions

					1951				1 9	5 2			
	1938	1948	1950	1951	п	1	п	Apr	May	Jun	Jul	Aug	Sep
MALAYA (MS)													
Food	11.9	48.2	57.8	82.0	72.8	85.0	89.1	83.6	94.6	89.0	82.0	80.7	78.7
unmanufactured	11.2	25.2	67.8	124.0	133.7	73.5	52.0	63.0	47.4	45.5	57.7	42.9	38.2
factured	17.6	69.1	107.0	175.8	184.6	186.3	167.2	171.0	176.8	153.8	155.3	140.5	177.3
Cotton yarn and manufactures	2.2	17.9	22.9	30.0	36.0	20.1	14.7	17.9	15.7	10.4	12.5	14.4	22.5
Machinery and vehicles Base metals and manufactures	3.1	9.9	12.1	22.9	20.5	35.0	29.4	27.9	33.3	26.9	28.4	25.2	17.8
thereof	1.6	4.7	7.1	15.0	16.6	15.7	14.1	14.2	16.0	12.2	14.3	12.6	11.5
Electrical goods and apparatus	0.5	2.4	3.5	5.2	4.3	7.0	5.6	5.6	6.0	5.3	5.7	5.7	3.4
PAKISTAN (Rs.)													
Cotton piecegoods		22.4‡	22.7	27.5	28.7	35.2	32.0	34.1	31.7	30.1	26.9	16.6	12.
Cotton twist and yarn		9.4‡	12.5	18.0	19.9	24.4	25.3	18.2	33.2	24.4	14.2	11.1	8.1
Machinery and vehicles		8.6‡	13.3	17.2	16.8	25.7	28.9	29.4	22.5	23.5	24.6	21.6	14.
PHILIPPINES (P.)													
Grains and preparations	1.3e	7.0	4.2	7.5	6.2	5.4	2.3	3.1	2.0	1.9	18.3	7.4	8.
Cotton and manufactures	3.6	11.4	6.2	12.2	7.9	10.9	8.4	8.9	9.1	7.1	9.9	6.2	11.
Rayon and other synthetic textiles	0.4	8.8	2.7	2.3	3.0	4.9	4.2	4.8	4.3	3.5	3.2	1.8	3.
Mineral oils (petroleum products) . Machinery and vehicles (incl.	0.9	5.7	5.8	6.0	7.4	6.7	7.2	6.6	4.6	10.3	10.3	5.6	4.
spare parts)	2.7	8.9	4.4	7.0	8.1	12.0	9.7	11.5	10.0	7.6	10.9	8.1	6.
Iron and steel manufactures	1.8	4.7	4.4	6.0	7.7	3.0	4.8	4.7	5.4	4.3	6.1	3.1	2.
Electrical machinery and appliances	0.6	2.9	2.2	1.8	1.5	2.5	2.3	2.8	2.7	1.5	3.0	1.7	2.
THAILANDb (Baht)													
Cotton fabrics and manufactures .	2.1‡	25.0	32.3	27.5		40.8	35.9	35.3	30.9	41.5	49.3	52.5	47.
Kerosene	0.3	3.0	2.6	2.6		3.0	4.2	4.3	4.0	4.1	3.1	2.7	4.
Petrol and aviation spirit	0.3	4.2	5.1	7.1		8.3	11.5	12.2	14.7	7.8	11.7	10.2	11.
Gunny bags	0.41	8.2	10.6	23.3		9.9	29.1	36.1	39.2	11.9	18.2	8.0	19.

Figures under column 1938 are for 1939. From 1948 onwards, textiles comprise cotton yarn and cotton piecegoods.
 From 1950, Port of Bangkok only.

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<sup>c. Including vegetable and animal oils.
d. Including cutlery and hardware.
e. 1987.
f. Including drink.</sup>

7. VALUE OF EXPORTS BY PRINCIPAL COMMODITIES AND/OR COMMODITY GROUPS

Monthly averages or calendar months

Millions

BURMA (X)						1951				1	9 5 2			
Rice and products		1938	1948	1950	1951	II	1	п	Apr	Мау	Jun	Jul	Aug	Sep
Second Communication Commu	BURMA (K.)													
Teck												86.4	40.2	27.6
Metal and ores 4.8\$ 1.8\$ 1.1\$ 2.9 2.3 5.7 3.9 1.9 1.0 8.8 6.4 6.7												1.7	10	2.7
Tec												100000		1.4
Tec	CEYLON (Rs.)													
Coconut and products		14.4	49.2	63.0	66.7	80.6	58.8	68.6	68.0	67.3	70.3	69.2	62.0	57.9
NDIA (Ra.) Food and drink 30.6 58.9 88.2 119.6 77.3 118.7 74.0 50.7 68.5 102.9 131.5 121.0 17.5 12.5	Coconut and products													19.2
Test	Rubber	3.8	12.0	33.8	48.5	40.0	46.6	29.9	26.7	32.9	29.9	13.2	22.7	28.5
Teal	INDIA (Rs.)													
Spices 0.7 4.0 17.6 24.9 22.1 29.0 15.5 11.4 11.6 23.5 21.1 15.4 1 18.8 28.5 21.1 15.4 1 18.8 28.5 21.1 15.4 1 18.8 28.5 21.1 15.4 1 18.8 28.5 21.1 15.4 1 18.8 28.5 21.5 2														117.8
Row materials and articles mainly unnomulactured														90.3
ummonufactured 59.5 90.3 89.5 127.7 166.3 100.6 124.4 114.8 130.0 12.4 131.2 130.8 10		0.7	4.0	17.6	24.9	22.1	29.0	15.5	11.4	11.6	23.5	21.1	15.4	14.7
Cotton raw and waste 19.9 18.6 14.9 21.4 50.3 5.9 24.5 14.3 31.7 27.4 34.1 34.3 3 Vegetable oil other than aromatic 1.0 5.0 7.3 8.3 11.2 5.5 4.9 6.2 4.4 4.0 4.0 5.1 4.0 5		59.5	90.3	88.5	1277	166.3	100 6	124.4	1148	130.0	121.4	131.2	130.8	109.3
Hides and skin raw or undressed Vegetable oil other than arromatic Articles wholly or mainly manufactured				14.9								34.1	34.3	31.1
Articles wholly or mainly manus doctures of the product of the pro	Hides and skin raw or undressed						5.5	4.9						3.6
factured		0.7	10.9	9.3	25.4	27.9	16.6	27.8	27.0	30.1	26.2	23.6	23.4	11.6
Cotton yerns and manufactures 6.3 30.8 89.0 78.4 61.2 52.3 52.0 35.5 53.4 67.2 71.8 105.3 7 146.9 146.9 162.4 149.9 128.5 129.9 103.5 10 10.5 10.5 10 10.5 10 10.5 10 10.5 10 10.5 10 10.5 10 10.5		40.2	192 2	242 9	347 6	382 6	294 2	240 0	230.9	252 0	239 1	239 4	259.0	220.6
Tite Yarns and manufactures														72.3
Copra														105.6
NDOCHINA (Pr.) Food														
Food	dressed and leather	4.4	9.9	19.0	27.8	30.5	15.7	9.8	5.1	13.0	11.3	9.4	16.2	15.8
Riber Ribe	INDOCHINA (Pr.)													
Rubber														
Mineral products														
INDONESIA (Rp.) Tea														
Tea			1						-					
Copre				0.5	110	10.1	100	00.0	00.0	24.0	00.0	07.0	00.0	17.5
Rubber 13.0 21.3 107.0 206.9 227.5 385.3 367.8 418.8 297.8 288.7 442.6 289.7 11 (rund tin ore) 2.8 12.3 15.4 25.7 26.3 44.9 80.0 95.9 63.4 80.7 69.0 124.8 15.0 197.3 145.5 22 145.4 151.0 197.3 145.5 22 145.4 145.5 151.0 197.3 145.5 145														26.1
Tin (cnd tin ore)	- 1.													150.7
IAPAN (US\$) Food	Tin (and tin ore)													102.5
Food	Petroleum and products	13.5	21.7	46.4	52.8	70.9	100.7	162.6	191.2	145.4	151.0	197.3	145.5	225.4
Crude materials, inedible, except fuels	JAPAN (US\$)													
Crude materials, inedible, except fuels	Food		1.5	4.1	5.6	3.6	6.9	6.3	5.2	6.7	7.1	10.0	9.2	
Chemicals	Crude materials, inedible, except		1											
Machinery and transport equipment 1.3 5.9 9.0 11.4 8.5 11.0 12.4 12.7 7.8 6.9 49.6 55.9 9.6		1												
Machinery and transport equipment 1.3 5.9 9.0 11.4 8.5 11.0 12.4 12.7 7.8 6.9 9.6 MALAYA (M\$) Food														
Food												6.9	9.6	
Food	MATAVA (Me)													
Rubber		47	11.0	171	20 4	22.2	29 1	25.7	27.0	28 4	216	30.8	30.5	28.7
Articles wholly or mainly manufactured	m 11													126.6
Tim (block, ingots, bars or slabs) 8.0 17.9 39.5 48.2 53.0 37.6 43.9 57.4 36.6 37.9 48.6 45.2 59.4 46.2 59.6 46.3 101.3 40.3 45.9 53.5 21.6 13.9 15.3 38.2 43.8 67.5 18.2 67.5 1	Articles wholly or mainly manu-		1											
PAKISTAN (Rs.) Raw jute														129.1 55.4
Raw jute	Till (block, ingots, bars or slabs)	0.0	17.5	33.3	40.2	33.0	37.0	40.0	37.4	90.0	37.3	40.0	30.8	00.4
Raw cotton	PAKISTAN (Rs.)													
Raw wool														34.1
Hides and skins														15.4
Tea		1												1.1
Abaca (unmanufactured) 1.7 5.0 6.7 11.2 13.1 8.6 7.3 9.0 6.3 6.5 6.6 6.4 Coconut products 4.9 34.6 30.9 32.8 33.9 20.5 15.2 15.1 14.0 16.5 18.7 20.9 2 Sugar centrifugal 7.7 3.5 8.1 11.4 17.8 16.2 26.1 22.2 36.0 20.2 14.9 1.9 THAILAND (Bath) Rice** 8.1 78.2 145.2 156.3 120.8 163.8 141.5 85.2 179.7 159.6 166.1 147.4 17 Tin ore and concentrates 2.6 4.4 21.6 18.5 19.7 30.3 31.2 35.9 36.6 21.2 35.9 34.4	Τeα		3.1‡	2.0	4.8	4.1	2.4	0.9	0.1	0.5	2.0	4.1	1.8	3.6
Abaca (unmanufactured) 1.7 5.0 6.7 11.2 13.1 8.6 7.3 9.0 6.3 6.5 6.6 6.4 Coconut products 4.9 34.6 30.9 32.8 33.9 20.5 15.2 15.1 14.0 16.5 18.7 20.9 2 Sugar centrifugal 7.7 3.5 8.1 11.4 17.8 16.2 26.1 22.2 36.0 20.2 14.9 1.9 THAILAND (Baht) Ricea 8.1 78.2 145.2 156.3 120.8 163.8 141.5 85.2 179.7 159.6 166.1 147.4 17.7 Tin ore and concentrates 2.6 4.4 21.6 18.5 19.7 30.3 31.2 35.9 36.6 21.2 35.9 34.4	PHILIPPINES (P.)													
Coconut products		1.7	5.0	6.7	11.2	13.1	8.6	7.3	9.0	6.3	6.5	6.6	6.4	4.6
THAILAND (Baht) Rice**														23.6
Ricea	Sugar centrifugal	7.7	3.5	8.1	11.4	17.8	16.2	26.1	22.2	36.0	20.2	14.9	1.9	2.8
Tin ore and concentrates 2.6 4.4 21.6 18.5 19.7 30.3 31.2 35.9 36.6 21.2 35.9 34.4	THAILAND (Baht)													
Tin ore and concentrates 2.6 4.4 21.6 18.5 19.7 30.3 31.2 35.9 36.6 21.2 35.9 34.4	Ricea	8.1	78.2		156.3	120.8	163.8		85.2	179.7				173.8
Markhan 79 240 714 1107 110 174 0 70 0 00 0 46 0 00 0	Tin ore and concentrates													
Tecka	Rubber	3.9	34.9	71.4	107.6	110.5	124.8	70.6	85.6	83.2	43.2	82.0	86.7	8.5

a. From 1950 Port of Bangkok only

8. QUANTITY OF EXPORTS OF SELECTED COMMODITIES

Monthly averages or calendar months

Thousand tons

					1951				1	9 5 2			
	1938	1948	1950	1951	п	I	п	Apr	Мау	Jun	Jul	Aug	Sep
RICE													
Burma	253.3	102.2	99.2	107.1	138.0	107.7	113.8	139.8	99.0	102.5	65.5	53.9	42.1
Indochina	77.8	13.4	8.7	25.5	19.4	25.8	32.4	30.8	41.8	24.6	14.1	4.3	
Thailand	115.4	67.6	123.2	129.5	104.2	134.0	109.1	69.8	117.1	140.3	137.3	108.6	147.7
TEA													
Ceylon	8.9	11.2	11.1	11.8	13.0	10.4	14.3	13.2	14.2	15.5	13.6	13.6	10.4
India	13.4b	14.2	14.8	16.8	8.4	15.9	8.6	5.8	8.8	11.3	16.6	18.6	81.
Indonesia	6.0	0.8	2.4	3.3	3.5	2.6	2.8	2.4	3.1	3.0	3.6	3.0	2.
Japan	1.4	0.3	0.6	0.7	0.4	0.7	0.5	0.3	0.3	0.8	1.4	1.4	1.
Pakistan		**	0.5	1.8	1.7	0.7	0.5	-	0.9	0.7	1.4		
COPRA AND COCONUT OIL													
	8.7	9.2	7.5	10.3	8.8	9.9	13.2	17.0	13.7	8.8	13.2	12.0	11.
Ceylon	25.8c	12.1e	14.1	23.1	25.0	19.3	19.5	20.2	17.1	21.3	11.9	13.2	10.
Malaya	13.4	7.1	11.2	10.4	10.4	8.6	6.8	7.2	6.2	7.1	7.5	8.3	9.
N. Borneo	0.4	0.3	1.4	0.9	0.6	0.5	0.6	0.5	1.0	0.4	0.5	0.7	0
Philippines	28.9c	35.3	41.0	45.0	41.6	39.7	34.6	33.5	34.0	36.2	33.8		
PALM KERNELS AND OIL													
Indonesia (palm oil)	14.2	3.3	8.2	8.1	6.4	6.0	8.4	6.7	5.4	12.9	12.6	16.3	10
Malaya	3.1	4.4	5.2	4.5	3.9	4.7	3.9	4.3	3.6	3.7	3.9	4.2	3
	0.2			-			0.0		0.0		0.0		
GROUND NUTS AND OIL													
Hong Kong	1.2	0.4	1.8	0.7	0.7	0.3	0.5	0.3	0.4	0.8	1.0	1.0	0
India	22.0b	5.5	5.8	5.8	4.0	4.1	9.8	6.9	12.9	9.7	6.8	4.1	
NATURAL RUBBER													
Brunei	0.1	0.2	0.2	0.2	0.2	0.2	0.1	0.2	0.1	0.1	0.2	0.1	0
Burma	0.6	0.8	0.5	0.8	0.9	1.6	1.1	1.3	1.0	1.0	0.3	0.1	(
Ceylon	4.2	7.8	10.0	8.8	6.8	9.1	6.0	3.8	8.4	5.8	6.4	6.3	8
Indochina	5.0	3.5	4.4	4.4	3.4	4.4	2.8	2.7	2.8	5.3	5.3	6.4	5
Indonesia	25.5	36.6	58.6	67.2	72.8	65.3	51.1	60.6	55.5	47.9	80.0	62.3	32
Malaya (net export)	31.4	57.5	55.7	51.5	57.6	51.8	45.9	40.7	47.1	49.9	37.4	50.5	57
N. Borneo	0.8	3.4	2.0	1.8	1.8	1.7	1.5	1.6	1.4	1.5	1.5	1.7	1
Sarawak	3.5	8.1	9.5	9.2	8.6	9.1	7.3	8.0	9.0	4.7	8.5	9.4	7
	0.0	0.0	0.0		-			-	-		0.0		
COTTON RAW					1								
India	38.6b	8.0	2.7	2.3	7.8	0.1	5.8	2.5	8.1	6.9	8.8	8.8	1
Pakistan		13.6	17.2	18.3	9.6	31.2	16.6	16.6	23.3	10.1	11.9	19.1	5
COTTON YARN (tons)													
Hong Kong			2,109	1,732	2,048	1,997	1,561	72.7	2,356	1,600	1,357	1,268	1.4
Japan	1,745	458	892	1,025	1,018	2,195	1,012	1,340	932	765	577	1,528	
Malaya	197	22	388	167		76	72	42	77	96	162	223	2
COTTON PIECE GOODS (Mn metres)					1								
Hong Kong		1	10.8	12.2	9.4	7.0f	10.0	7.0	12.0	11.0	13.5	9.9	1
India	14.6b	23.5	93.7	59.1	45.9	32.7	37.9	22.5	38.6	52.6	54.7	77.2	5
Japan (Mn sq. metres)	158.4	28.2	76.9	75.3	94.4	70.4	58.1	59.7	60.6	53.9	44.8	42.8	
Malaya	2.0	7.5	14.5f	14.5	17.0	10.3	8.4	6.4	11.7	7.1	9.3	7.3	9
IUTE													
Pakistan (raw)		16.1	50.0	56.0	43.5	83.2	37.4	41.9	49.6	20.8	24.0	16.6	6
India (bag and cloth)	78.9d	78.4	54.0	67.1	67.0	61.4	65.9	64.7	69.2	63.7	69.2	60.7	5
HEMP RAW													
	11.8	6.2	7.9	10.3	11.9	10.1	9.4	11.0	8.3	9.0	9.3	10.3	
Philippines	11.0	0.2	7.0	20.0	22.0	10.1	0.2	11.0	0.0	0.0	0.0	10.3	1
TIN CONCENTRATES	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
Burma	0.2	0.2	0.1	2.6	3.0	2.2	2.9	3.5	2.3	2.9	2.4	4.4	
Indonesia	1.1	0.5	0.9	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8	
	***	0.0	0.0	0.,	0.0						1	1	
TIN METAL	E 0	40	6.0		E 4	4.0		7.0	40	40	0.0		
Malaya	5.2	4.0	6.9	5.5	5.4	4.8	5.5	7.2	4.6	4.8	6.0	5.6	
PETROLEUM AND PRODUCTS			1					1					
Indonesia	506	321	504	506	701	452	544	584	522	524	718	509	
Malaya	84	82	165	163	123	154	207	188	169	264	189	250	1

a. Expressed in terms of oil equivalent; figures under column for 1938 refer to averages for the period 1934—1938.
 b. Including territory now under Pakistan.

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7.5 6.1 0.7 2.5 5.4

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4.1 5.4 4.4 1.1 3.6

4.6 3.6 2.8

3.8

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c. 1935—1939.

d. Converted at 2.25 lbs. per bag and 0.50 lb. per yard of cloth.

e. Excluding exports to Singapore from Indonesia.

Unit changed from million meters to million square meters from 1950 for Malaya and 1952 for Hong Kong for cotton piecegoods.

9. INDEX NUMBERS OF QUANTUM 1948=100

1948 = 100

	1938	1950	1951	1951 1 9 5 2								
				II	I	п	Apr	May	Jun	Jul	Aug	Sep
Burma*												
Imports: General	163‡	95	87	66	74	131	88	194	110	376	171	
Food, etc	175‡	79	87	89	151	164		164				
Textile & clothing	164‡	328	92	52	43	174		174				
Coal & petroleum products	254‡	153	238	156	119	114		114				
Minerals	132‡	88	168	196	113	87		87				
Machinery & miscellaneous	106‡	63	73	57	104	91		91				
Exports: General	263‡	42	96	123	101	102	118	93	94	63	128	
Food, etc.	260±	51	106	140	79	118		118				
Timber	172‡	18	51	42	32	42		42				
Cotton	170‡	61	80	60	250	140		140				
Minerals	1,781‡	197	129	152	70	616		616				
	-,,,,,,,						_	-				
CEYLON												
Imports	89	121	135	159	146	140	133	131	157	127	100	15
Exports	80	110	112	114	117	130	132	130	128	125	119	11
INDIAb												
Imports: All commodities	106‡	88	108	108	-138	115	126	125	98	94	101	1
Food, drink & tobacco		73	147	132	202	185	199	186	170	129	113	10
Raw materials & semi-manufactures .		123	113	123	167	144	170	164	97	85	92	. 1
Manufactures		79	92	93	100	76	77	82	69	84	100	
Exports: All commodities	172‡	115	114	111	96	98	78	103	113	118	126	11
Food, drink & tobacco		109	121	82	114	86	58	86	114	140	140	1:
Raw materials & semi-manufactures .		103	112	140	84	110	97	119	113	112	109	1 5
Manufactures		122	111	109	95	97	77	102	112	112	128	11
INDOCHINA												
Imports	85	151	189	159								1 .
Exports	259	88	132	129	130							
JAPAN												
Imports	**	180	259	334	256	290	279	294	298			1
Exports	**	400	404	455	449	416	412	420	415			
MALAYA							-	-	-	_	+	+
Imports: All commodities	81	137	181	190	178	160		160			148	
Food, drink & tobacco	109	120	156	156	153	151		151			130	
Raw materials & semi-manufactures .	83	147	172	175	123	111		111			113	
Manufactures	66	85	199	213	219	190		190			176	
Exports: All commodities	73	127	134	139	115	108		108			116	
Food, drink & tobacco	162	122	172	207	165	143		143			141	
Raw materials & semi-manufactures .	60	115	124	128	101	90		90			96	
Manufactures	95	173	161	161	151	162		162			180	
PHILIPPINES								1				1
Imports		74	82	81	83	72	76	73	68	112	68	1
Exports	143	133	149	163	168	194	184	215	183	200	148	1:

a. Base: Oct 1947-Sep 1948=100.

b. Base Apr 1948—Mar 1949. Overland trade excluded. The index numbers for the calendar year 1948 are 93 and 100 in the case of imports and exports respectively.

EXTERNAL TRADE

10. INDEX NUMBERS OF UNIT VALUE 1948 = 100

				3=100								
	1,000	1000	1051	1951				195	5 2			
	1938	1950	1951	п	1	11	Apr	May	Jun	Jul	Aug	Sep
	<u></u>		Unit Va	lue Indi	ces		-					
BURMA® Imports: General	23‡	114	84	82	86	73	76	me.		74		
							10	76	68		88	
Food, etc	26‡ 18‡	142 97	127 53	125	128	112		112		73		
Coal & petroleum products	30‡	91	123	146	124	154	- 1	154				
Minerals	24‡	77	114	114	106	107		107				
Machinery & miscellaneous	42‡	123	116		119		150	138		***		
Exports: General	17‡	104	131	129	149	156	150	162	156	162	148	
Food, etc	15‡	108	117	116	134	155	1	155			**	
Timber	23‡	115	153	257	201	148	i	148			::	
Minerals	541	199	410	385	302	247		247				
CEYLON												
Imports	23	98	116	119	137	137	140	134	137	142	140	12
Exports: All commodities	32	144	175	186	149	132	136	133	128	124	126	13
Tea	37 56	127 222	132 367	138	118	109	113	108	106 258	216	232	12
All coconut products	14	144	169	191	129	99	103	98	97	93	93	9
Other export products	24	124	165	179	150	139	146	131	141	135	128	13
NDIAb						100	105	100	100	100	101	10
Imports: All commodities	28‡	104	126 116	130	131	133	135	133	132	132	121	12
Raw materials & semi-manufactures .		113	152	161	142	132	135	130	133	141	136	14
Manufactures		97	118	121	120	127	130	127	123	122	109	11
Exports: All commodities	24‡	110	160	171	156 153	133	150	128	119	122	117	11
Food, drink & tobacco		127 114	149	161	148	132	145	128	124	136	139	13
Manufactures		103	170	180	159	130	154	126	110	110	103	10
INDOCHINA												
Imports	8	122	140	137	100						* * *	
Exports	11	147	182	159	198						**	
INDONESIAC Exports: All commodities	31	177	265	261	471	537	566	541	504	500	505	4
Estate produce	38	185	273	262	529	618	651	617	588	592	599	50
Peasant produce	27	171	219	248	432	483	509	489	449	4.51	444	3:
Forest produce	12	93	148	151	302	337	350	364	298	311	356	3
JAPANd Imports		79	116	120	107	106	109	105	103			
Exports		79	130	130	126	121	129	120	116			
MALAYA										-		-
Imports: All commodities	36	115	144	143	133	131	1	131			126	1
Food, drink & tobacco	23	100	110	99	118	123		123			127	
Raw materials & semi-manufactures . Manufactures	53	175 106	283 126	305 125	238 122	190		190			163 118	
Exports: All commodities	43	173	258	287	221	187		187			175	
Food, drink & tobacco	24	120	141	135	146	149		149			171	
Raw materials & semi-manufactures .		214	330	370	274	210		210			183	
Monufactures	32	110	155	169	139	138	1	138			137	
Imports		79	100	99	99	94	96	93	92	89	91	
Exports	25	77	84	87	67	67	64	76	62	58	59	i
		-	Terms	of Trad	e ^e	+			+			
	77.4.1	91	157	158	174	213	198	213	200	223	000	1
TMOTIO	74‡				109	97	97	99	229	87	233	1
	141	147	151	120	103							
CEYLON	141 86‡	147	151 127	156	119	99	111	97	90	91	96	
BURMA	86‡	106 120	127 130	131 116	119	99	111	97	90	91		1
CEYLON	86‡	106	127	131						91	96	13

a. Base: Oct 1947—Sep 1948=100.
 b. Base: Apr 1948—Mar 1949=100. Overland trade excluded.
 c. Weighted wholesale price index numbers of 18 export products at f.o.b. prices. Figures from April 1950 to February 1952 exclude the value of exchange certificates. The rise beginning February 1952 is principally due to the change in the conversion rate of the rupiah from 3.80 (excluding the value of the exchange certificate) to 11.40 per U.S. dollar.

d. In terms of U.S. dollars.
 e. Ratio of unit value index of exports to unit value index of imports multiplied by 100.

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EXTERNAL TRADE

9. INDEX NUMBERS OF QUANTUM 1948=100

				1951				19	5 2			
	1938	1950	1951	п	I	11	Apr	May	Jun	Jul	Aug	Sep
Burmaa	-											
Imports: General	163‡	95	87	66	74	131	88	194	110	376	171	
Food, etc	175±	79	87	89	151	164		164				
Textile & clothing	164‡	328	92	52	43	174		174				
Coal & petroleum products	254‡	153	238	156	119	114		114				
Minerals	132‡	88	168	196	113	87		87				
Machinery & miscellaneous	106‡	63	73	57	104	91		91				
Exports: General	263‡	42	96	123	101	102	118	93	94	63	128	
	260±	51	106	140	79	118		118				
Food, etc.	172±	18	51	42	32	42		42				1
Cotton	170‡	61	80	60	250	140		140				
Minerals	1,781‡	197	129	152	70	616		616				
	2,7024	207				0.00						1
CEYLON												
Imports	89	121	135	159	146	140	133	131	157	127	100	15
Exports	80	110	112	114	117	130	132	130	128	125	119	11
NDIAb												
Imports: All commodities	106‡	88	108	108	138	115	126	125	98	94	101	7
Food, drink & tobacco		73	147	132	202	185	199	186	170	129	113	10
Raw materials & semi-manufactures .		123	113	123	167	144	170	164	97	85	92	. 8
Manufactures		79	92	93	100	76	77	82	69	84	100	6
Exports: All commodities	172‡	115	114	111	96	98	78	103	113	118	126	11
Food, drink & tobacco		109	121	82	114	86	58	86	114	140	140	13
Raw materials & semi-manufactures .		103	112	140	84	110	97	119	113	112	109	9
Manufactures		122	111	109	95	97	77	102	112	112	128	11
INDOCHINA												
Imports	85	151	189	159								
Exports	259	88	132	129	130							
APAN												
Imports		180	259	334	256	290	279	294	298			
Exports	1	400	404	455	449	416	412	420	415	**	**	
MALAYA							_	+~	-	_	-	+
Imports: All commodities	81	137	181	190	178	160		160			148	
Food, drink & tobacco	109	120	156	156	153	151		151			130	
Raw materials & semi-manufactures .	83	147	172	175	123	111		111			113	
Manufactures	66	85	199	213	219	190	1	190			176	
Exports: All commodities	73	127	134	139	115	108		108			116	
Food, drink & tobacco	162	122	172	207	165	143		143			141	
Raw materials & semi-manufactures . Manufactures	60 95	115 173	124 161	128 161	101	90		90			96	
PHILIPPINES	00	2/0		101	.01	104		102			100	
		PR 4	00	0.1	00	20	-	70	00	1	00	1.
Imports	142	74	82	81	83	72	76	73	68	112	68	1
Exports	143	133	149	163	168	194	184	215	183	200	148	1:

a. Base: Oct 1947-Sep 1948=100.

b. Base Apr 1948—Mar 1949. Overland trade excluded. The index numbers for the calendar year 1948 are 93 and 100 in the case of imports and exports respectively.

EXTERNAL TRADE

10. INDEX NUMBERS OF UNIT VALUE

1948 = 100

	1938	1070		1951				195	2			
	2000	1950	1951						-			
		1330	1331	11	I	п	Apr	May	Jun	Jul	Aug	Sep
			Unit Va	lue Indi	ices							
URMA	22+	114		92	pe l	72	76	70				
Imports: General	23‡		84	82	86	73	10	76	88	74	80	
Food, etc	26‡ 18‡	142 97	127 53	125	128	112	1	112		73	**	
Coal & petroleum products	001	91	123	146	124	154	1	154				
Minerals	24‡	77	114	114	106	107		107				
Machinery & miscellaneous	42‡	123	116	105	119	138		138	_			
Exports: General	17‡	104	131	129	149	156	150	162	156	162	148	
Food, etc	15‡	108	117	116	134	155	1	155 T				
Timber	23‡	115	153	152	201	148		148				
Cotton	211	111	199 410	257 385	302	247		247		::	**	:
	044	200	***	000	002		_				"	
CEYLON Imports	. 23	98	116	119	137	137	140	134	137	142	140	12
Exports: All commodities	32	144	175	186	149	132	136	133	128	124	126	13
Tea	. 37	127	132	138	118	109	113	108	106	111	114	12
Rubber		222	367	383	299	268	268	278	258	216	232	22
All coconut products Other export products	14 24	144	169 165	191	129	139	103	131	141	135	128	13
INDIAb	44	144	100	1/3	200	100	- 10					
Imports: All commodities	28‡	104	126	130	131	133	135	133	132	132	121	12
Food, drink & tobacco		104	116	114	132	141	141	142	141	143	135	13
Raw materials & semi-manufactures Manufactures		113	152 118	161	142	132	135	130	133	141	109	11
Exports: All commodities	241	110	160	171	156	133	150	128	119	122	117	11
Food, drink & tobacco		127	149	151	153	142	145	140	140	135	131	13
Raw materials & semi-manufactures Manufactures		114	148	161	148	132	146	126	124	136	139	13
Manufactures		103	170	100	133	130	104	120	110	110	200	20
Imports	. 8	122	140	137								
Exports	. 11	147	182	159	198							
INDONESIAC												
Exports: All commodities	. 31	177	265	261	471 529	537 618	566 651	541 617	588	592	505 599	46 56
Estate produce	. 38	185 171	273 219	262 248	432	483	509	489	449	441	444	31
Forest produce	12	99	148	151	302	337	350	364	298	311	356	35
JAPANd												
Imports		79	116	120	107	106	109	105	103	**		
Exports		79	130	130	126	121	129	120	116	**		
MALAYA	***		144	140	100			101			100	
Imports: All commodities Food, drink & tobacco	. 36	115	1144	143	133	131		131			126	
Raw materials & semi-manufactures	. 53	175	283	305	238	190		190			163	
Manufactures	. 41	106	126	125	122	121	i	121			118	
Exports: All commodities	. 43	173	258	287	221	187		187			175	-
Food, drink & tobacco	. 24	120 214	330	135 370	274	210		210			171	
Manufactures	32	110	155	169	139	138		138			137	
PHILIPPINES									- 1			
Imports		79	100	99	99	94	96	93	92	89	91	8
Exports	. 25	77	84	87	67	67	64	76	62	58	59	6
			Terms	of Trad	e ^e							
BURMA	. 74‡	91	157	158	174	213	198	213	229	223	233	
CEYLON	. 141	147	151	156	109	97	97	99	93	87	91	10
INDIA	. 86‡	106	127	131	119	99	111	97	90 1	91	96	
INDOCHINA	. 138	120	130	116	119	115	110	110	110		**	
IAPAN		3 1 1 1 1		11121	11/1	1121	118	1.179.1	1.134			
JAPAN	. 120	100 151	179	109 201 88	117 166 67	115 143 72	118	113	113			13

a. Base: Oct 1947—Sep 1948=100.
b. Base: Apr 1948—Mar 1949=100. Overland trade excluded.
c. Weighted wholesale price index numbers of 18 export products at f.o.b. prices. Figures from April 1950 to February 1952 exclude the value of exchange certificates. The rise beginnin; February 1952 is principally due to the change in the conversion rate of the rupiah from 3.80 (excluding the value of the exchange certificate) to 11.40 per U.S. dollar.

d. In terms of U.S. dollars.
e. Ratio of unit value index of exports to unit value index of imports multiplied by 100.

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PRICES

11. INDEX NUMBERS OF WHOLESALE PRICES

1948=100

				1951				19	5 2			
	1949	1950	1951	п	I	п	Apr	May	Jun	Jul	Aug	Sep
BURMA												
All agricultural produce	123	115	133	132	117	112	110	111	114	114	117	11:
Cereals	96	98	105	109	96	100	98	100	102	103	103	10
Non-food agricultural produce	161	196	205	219	183	156	167	151	145	147	179	14
CHINA (Taipei)*												
General index		125e	183	177	227	230	235	230	226	224	223	22
Food		108e	140	138	166	172	174	172	170	169	176	18
Clothing		160e	330	306	433	406	425	400	393	376	349	35
Fuel & light		141e	156	155	183	193	202	193	184	187	193	19
Metals & electrical materials		137e	218	205	274	278	290	273	272	275	270	26
Building materials		113e	154	142	241	242	249	239	238	230	226	22
Miscellaneous		131e	219	215	256	262	261	265	259	259	252	23
NDIA												
General index	104	109	120	124	111	102	103	100	102	105	106	10
Food articles	104	110	110	110	99	92	93	91	93	98	100	9
Industrial raw materials	108	117	141	159	120	99	101	97	100	101	104	10
Semi-manufactured articles	104	108	119	122	113	104	107	102	104	110	111	11
Manufactured goods	101	102	116	120	115	110	112	109	110	108	108	10
Miscellaneous	108	136	145	145	137	118	119	116	120	125	126	12
NDONESIA (Djakarta, imported goods)												
All articles	123	253	346	357	346	334	333	334	335	343	343	34
Provisions	90	180	295	273	375	365	375	357	363	366	358	3
Textile goods	194	351	318	331	262	242	232	247	248	273	278	29
Chemicals	88	221	373	402	342	334	333	335	334	346	346	34
Metals	95	220 244	381	378 429	394 400	375 412	383	377 401	366 409	360 409	359 410	35
	100	233	307	140	200	412	000	401	400	400	410	**
JAPAN	100			050	000	000	0.00	070	070	074	070	
General index	163	193	267	272	278	272	273	272	272	274	272	27
Edible farm products	178	207	258	250 174	285 181	288 180	283 182	286 179	296 178	309 179	289 179	28
Other foodstuffs & tobacco products .	164 215	159 262	175 363	394	307	285	280	286	289	294	297	29
Textiles	138	180	250	241	290	274	286	274	262	251	254	25
Chemicals	143	214	423	454	436	417	427	416	409	408	407	40
Building materials	141	165	243	246	254	255	258	257	251	257	271	28
Fuels	150	170	203	192	247	257	249	258	263	259	259	26
Miscellaneousb	149	186	276	291	272	248	257	247	240	237	234	23
KOREA (Pusan)c												
General index				1,594	3,105	4,565	3,789	4,770	5.137	5,594	5,980	6.19
Fertilizers				3,356	7,526	7,526	7,526	7,526	7,526	8,449	8,449	8,4
Textile raw materials				1,566	1,916	2,368	2,222	2,424	2,458	2,682	2,604	2,63
Textiles		**		1,454	1,907	1,953	1,988	1,964	1,907	1,928	2,130	2,1
Building materials				2,220	3,257	3,483	3,367	3,521	3,561	3,097	4,064	4,34
PHILIPPINES (Manila)												
General index	87	77	85	88	74	74	73	74	76	75	71	1
THAILAND (Bangkok)												
General index	93	95	103	103	107	107	108	106	108	108	108	I
VIET-NAM (Saigon, Cholon)d												
General index	125	123	146	143	157	157	156	158	157	164	168	1
Rice & paddy	125	104	112	101	136	164	149	169	174	190	210	2
Other food products	125	125	140	138	157	154	156	156	153	167	159	1
Fuel & mineral products	136	153	161	159	162	162	163	160	163	163	163	1
Raw materials	120	172	237	236	215	174	194	168	160	165	161	1
Semi-finished products	123	117	146	136	158	153	153	153	154	149	149	1
Manufactured products	125	105	142	152	143	123	125	123	119	113	118	1

a. Jan-Jun 1950=100.

b. Revised series.c. 1947=100.

d. New series for Saigon beginning 1949, which is linked to the old series.

e. Average of Jul-Dec.

12. INDEX NUMBERS OF COST OF LIVING

PRICES

1948=100

				1951				195	2			
	1949	1950	1951	п	1	11	Āpr	Мау	Jun	Jul	Aug	Sep
BURMA (Rangoon) All items	135 142	114 120	112 120	110 115	105 109	104 111	101 106	104 110	107 116	120 137	119 135	118 134
CAMBODIA (Phnom-Penh) All items Food	138 133	155 150	163 154	163 157	174 168	178 175	174 168	180 176	182 180	185 186	185 186	::
CEYLON (Colombo) All items	99 104	105 112	109 112	109 112	110 112	107 108	108	106 108	107 109	107 107	106 107	107
CHINA (Taipei) ^a All items		113f 101f	139 146	131 103	174 131	178 135	182 138	178 135	175 132	175 132	187 159	187
HONG KONG ^b All items	112 119	117 126	128 136	128 135	128 133	128 136	• •		128 136			133
INDIA Bombay All items	101 105	103 109	109 115	111 116	106 109	113 121	114 122	112 120	112 120	109 115	112 121	111
Delhi All items	100 101	100 101	109 112	107 111	106 104	111 114	110 112	112 118	110 113	108 112	108 113	11
INDONESIA (Djakarta) Food	97	113	189	167	218	196	204	193	190	189	187	19
JAPAN (Urban)g All items	92 97	86 87	100 100	99	105 164	104 104	105 105	104 102	104 103	106 106	106 106	10
KOREA (Pusan)b All items	123 131	281 302	1,397	1,152 1,325	2,473 2,999	3,253 4,281	2,836 3,583	3,391 4,513	3,532 4,746	3,798 5,162	4,287 5,896	4,56 6,32
LAOS (Vientiane)c All items	106 103	107° 100°	113 103	111	122 114	132 127	129 122	133 129	134 130	148 149	151 153	15
MALAYA (Kuala Lumpur)												
All items Chinese Indian Malayd	94 94 98	101 99 108	133 132 136	132 132 135	141 142 143	139 139 138	140 140 139	139 139 138	138 137 138	137 135 137	136 134 135	13 13 13
PAKISTANe Karachi All items	98‡	95 93	99 99	98 98	100 102	99 100	98 99	99 100	100 102	102 106	101 104	10
Narayanganj All items	103‡	98 97	102 101	101 101	106 104	106	99 96	109 110	111 114	114 118	113 117	1 1
PHILIPPINES (Manila) All items	94 93	93 86	99	100 95	96 90	94 89	94 89	94 89	95 90	95 91	96 90	
THAILAND (Bangkok) All items Food	96 95	99 97	110 106	114 112	114 110	125 120	122 117	126 122	125 120	123 117	122 117	1 1
VIET-NAM (Saigon) All items	122 120	125 114	141	138 117	161 154	167 160	165 157	167 160	168 162	174 171	182 182	

<sup>a. Jan-Jun 1950=100.
b. Retail price index.
c. Dec 1948=100.
d. Jan 1949=100.</sup>

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e. Apr 1948—Mar 1949=100.f. Average of Jul-Dec.g. New index, base 1951=100.

13. WHOLESALE PRICE QUOTATIONS OF SELECTED COMMODITIES

Monthly averages or calendar months

Price per ton

	Currency				1951				1	9 5 2			
	Unit	1948	1950	1951	п	I	п	Apr	Мау	Jun	Jul	Aug	Sep
RICE Burma	K. NT \$ Rs. Rp. C00 Y. C00 W. Rs. Baht Pr.	436 870 24.9 127 917	254 1,247 432 1,028 41.0 307* 475 959 2,200	266 1,285 432 2,283 48.2 1,948* 623 985 2,322	259 1,270 432 1,650 41.0 1,315 630 968 2,187	272 1,835 432 2,917 48.2 3,644 676 1,072 2,790	292 2,029 443 2,580 48.2 7,081 683 1,050 3,340	2,109 432 2,670 48.2 5,265 650 1,050 3,020	292 2,082 449 2,530 48.2 7,401 691 1,017 3,440	1,896 449 2,540 48.2 8,576 707 1,083 3,560	1,887 449 2,470 48.2 9,704 707 1,173 3,840	291 2,143 449 2,400 48.2 10,379 705 1,192 4,280	2,170 449 2,450 51.3 10,038 717 1,192 4,170
WHEAT India	Rs. 000 W. Rs.	566 73 320	410 252° 270	412 1,305° 289°	412 970 302	412 2,813 290	412 3,778 310	412 3,197 310	412 4,333 310	412 3,803 310	412 3,348 310	412 3,697 310	412 4,212 310
SUGAR China (Taiwan) India Indonesia Korea [®] (south) Pakistan Philippines Thailand	NT \$ Rs. Rp. 000 W. Rs. P. Baht	990 2,290 411 925 291 4,608*	1,382 773 2,906 1,078* 1,000 269 5,330	3,462 822 2,945 6,545* 1,067 257 6,015	3,724 822 3,060 5,975 ^j 1,021 251 5,490	2,499 822 2,747 8,278 1,206 244 5,533	2,653 822 2,890 16,955 1,206 247 5,200i	2,582 822 2,850 15,917 1,206 242 4,950	2,528 822 2,900 15,434 1,206 244	2,850 822 2,919 19,517 1,206 253 5,450	3,278 822 2,938 21,650 1,206 263 5,350	3,294 822 2,919 15,750 1,206 5,250	3,189 822 2,850 14,517 1,206 5,075
PEPPER Cam' odia Malaya Thailand	. 000 Pr 000 Ms . 000 Baht	34.8 3.2 23.8	137.3 15.2 95.6	147.6 16.1 101.8*	156.1 13.3 101.1	129.8 12.6 n.t.	103.0 9.3 n.t.	100.9 9.1 n.t.	97.8 9.6 n.t.	110.4 9.3 n.t.	110.4 9.6 n.t.	115.1 9.7 n.t.	116.7 10.1 n.t.
China (Taiwan) Ceylon India Indonesia Pakistan U.K. U.S.A.	. NT \$ Rs. Rs. Rp. Rs. US \$ US \$	3,594 3,593° 2,200 4,696 1,190	7,431 4,453 3,946° 5,521 4,126° 961 1,146	10,193 4,056 3,814° 6,557 3,686° 1,014 1,096	10,370 3,946 3,770 7,000 3,533 1,043	11,833 3,697 3,373 ^g 7,517 2,888 ^h 1,010 1,052	11,778 3,329 2,557i 6,590 999 941	12,000 3,219 2,557 6,970 1,010 941	11,667 3,285 6,380 996 941	11,667 3,483 2,557 6,420 990 941	12,031 3,792 2,271 7,070 990 941	13,056 3,946 2,072 7,430 994 816	13,333 4,034 1,852 7,650 1,016 816
TOBACCO China (Taiwan) India Pakistan Philippines	. NT \$. Rs Rs P.	2,551	9,197 2,700d 2,550° 1,551	14,597 5,540° 4,131 905	13,889 4,057° 3,918 976	25,408 2,305 4,381 648	20,222 2,305° 2,318 585	20,000 2,305 2,613 634	20,000 2,197 575	20,666 2,143 546	21,000 2,439 2,143 462	21,000 2,707 1,688 446	21,00 2,439 1,842 446
VEGETABLE OIL China (Taiwan) Ceylon India Indonesia Malaya Pakistan Philippines	NT S Rs. Rs. Rp. MS Rs.	1,006 1,479 1,221 1,142 2,649 980	5,354 1,390 1,961 1,695 1,090 3,267 676	6,416 1,598 1,963 2,290 1,299 3,003 700	6,185 1,708 2,132 2,150 1,367 2,869 760	7,219 1,003 1,453 2,447 871 2,511 460	8,543 823 1,187 2,260 725 2,262 400	8,889 740 1,161 2,330 686 2,130 370	8,407 873 1,201 2,210 763 2,331 380	8,333 855 1,201 2,240 726 2,324 440	7,408 853 1,309 2,100 690 2,277 400	7,870 816 1,319 2,080 648 2,299 390	7,944 878 1,516 1,900 705 2,311 420
COPRA Ceylon	Rs. Rs. Rp. MS P. Baht	531 986 390 635 515 2,730	826 1,486 1,194 650 360 3,292 223	963 1,561 1,400 726 362 3,795 229	1,036 1,534 1,550 736 369 4,014 232	612 1,124 1,100 509 236 2,995 161	544 948 867 429 205 2,745 144	514 879 1,000 411 185 2,783 132	563 968 800 446 196 2,783 141	555 997 800 430 234 2,667 160	560 1,113 900 428 208 2,650 138	521 1,081 900 395 209 2,725 143	562 1,113 1,000 434 232 2,750 160
COTTON, RAW China (Taiwan) India	NT Rs. 000 W. Rs. US	1,828 630 1,879	9,639	28,380 1,788 3,423*	20,370 1,729 2,388 3,178 1,319	39,630 1,870 5,195 2,864 1,102	35,926 1,331 5,750 2,331 1,034	36,667 1,294 5,333 2,405 1,054	36,667 1,350 5,917 2,299 1,030	34,444 1,350 6,000 2,291	32,222 1,490 6,000 2,287 1,003	29,444 1,476 6,133 2,277 899	36,185 1,547 6,500 2,277 917
JUTE, RAW India	Rs. Rs. US		1,107 668 315 342	1,826 1,140 485 509	2,811 1,585 617 616	1,552 944 428 472	965 345 354	1,157 366 386	854 359 354		772 216 246	409 223	854 431 223 243

13. WHOLESALE PRICE QUOTATIONS OF SELECTED COMMODITIES (Cont'd)

PRICES

Monthly averages or calendar months

Price per ton

	Currency				1951					1952			
	Unit	1948	1950	1951	п	1	п	Apr	Мау	Jun	Jul	Aug	Sep
HEMP Philippines	P.	837	841	990	1,085	754	608	694	583	546	538	577	580
COIR Ceylon	Rs. Rs.	148	268 1,624d	332 1,637	423 1,737	285 1,236	280 913	285 984	285 886	271 869	180 864	172 853	173 820
WOOL, RAW India	Rs.	1,967 3,137‡	3,992 7,125b	4,440 4,758*	5,234 5,300	2,505 3,475	2,394 2,848	1,745 2,211	2,886 3,007	2,550 3,304	3,087 3,516	2,980 3,606	3,087 3,831
SILK, RAW India	000 Rs. 000 Y. 000 W.	53 1,556 7,067	84 2,579 15,733*	66 3,761 61,333*	74 3,560 51,200	43 3,563 93,413	32 3,585 134,666	33 3,568 120,800	31 3,570 131,733	32 3,618 151,466	41 3,928 142,666	39 3,957 157,066	43 4,021 160,000
HIDES China (Taiwan) India Pakistan Thailand U.S.A.	NTS Rs. Rs. Baht US S	2,158 1,860 8,219 606	5,274 2,002 2,543 12,815 564	6,762 3,729 2,976 16,156 692	6,556 4,390 3,003 17,408 728	7,667 2,554 2,404 8,611 295	12,056 1,929 1,716 5,556 289	9,778 1,819 1,732 5,833 227	13,056 1,819 1,685 5,417 315	13,333 2,149 1,732 5,417 326	13,333 2,260 1,732 5,200 342	13,333 2,260 1,732 4,667 386	13,333 2,260 1,732 3,833 353
RUBBER, NATURAL Ceylon Indonesia Malaya Thailand Viet-Nam U.K. U.S.A.	Rs. Rp. MS Baht Pr. £ US \$	1,367 1,020b 929 6,531 7,150 119 485	3,417 5,958 2,385 12,155 15,230 306 906	4,740 9,300 3,730 19,351 24,100 467 1,302	4,557 8,880 3,706 19,104 23,550 455 1,455	3,461 7,797 2,731 15,521 19,180 334 1,124	3,351 6,570 2,106 9,990 14,100 259 992	3,351 7,330 2,416 12,325 16,300 294 1,069	3,197 5,980 1,947 8,590 13,500 239 1,069	3,505 6,400 1,956 9,055 12,500 242 838	3,042 6,160 1,946 8,978 12,900 245 673	2,646 6,400 1,870 8,220 12,000 235 647	2,337 5,610 1,678 7,003 11,700 206 604
COAL China (Taiwan) India Korea ^a (south) Viet-Nam	NT \$ Rs. W. Pr.	16 3,607 347	137 16 4,000° 583	214 15 66° 587	183 16 28 585	396 16 85 637	380 16 85 663	400 16 85 637	389 16 85 637	352 16 85 714	333 16 85 714	333 16 85 714	333 16 105 714
TIN Malaya Thailand U.K. U.S.A.	000 Ms Baht £ US \$	4.46 29,440 543 2,188	6.07 31,480 733 2,107	8.71 52,040 1,060 2,829	9.10 58,333 1,091 2,968	7.96 48,333 960 2,592		7.90 40,000 948 2,679	7.95 40,000 950 2,679	8.00 40,000 956 2,679	40,000 954	7.85 40,000 933 2,671	8.00 45,000 94 2,67
PIG IRON India Japan Koreaa (south)	Rs. Y.	111 4,354 15	105 13,134° 50°	116 27,490 236°	105 32,578 200j	131 30,220 318	131 30,300	131 30,300 313	131 30,300 320	131 30,300	141 30,300	141	14 28,800 350
CEMENT China (Taiwan) India Japan Korea ^a (south) Pakistan Viet-Nam	NT S Rs. Y. 000 W. Rs. Pr.	2,794 22 746	273 81 5,006 46° 94 986	319 89 7,760 272° 94 1,035	287 86 7,572 165 94 1,009	658 93 8,800 319 94 1,093	545 92 8,800 409 94	647 93 8,800 389 94 1,100	501 92 8,800 420 94	487 92 8,800 420 94	430 92 8,800 440	397 92 8,800 440	394 92 8,800 460 94
COTTON YARN China (Taiwan) India Japan Viet-Nam	NT \$ Rs. 000 Y. 000 Pr.	3,790 87 50*	14,327 3,613 373 51	26,777 4,176° 662 65	32,334 4,244 796 67	23,148 4,484 556 57	23,148 4,054 521	23,148 4,550 497	23,148 3,805 535	23,148 3,805 531	23,148 3,904 544	23,148 3,854 549	23,148 3,880 554
COTTON FABRICS India	Rs. Y.	4,123	3,641	4,233 106	4,343 120	4,321			4,079	4,101	4,101	4,034	4,03
JUTE BAGS (per hundred) India	. Rs.	133	156 196	229 215	268 216	213	133	152	125	122	110	93	11:
JUTE (hessian) India	Rs. US S	1,811	1,904 559 776	2,741 909 1,055	3,930 803 1,177	2,303 863 774	1,781	1,871	1,704	1,770	1,603	487	1,687

GENERAL NOTE: For details regarding specification and market centre see Revised Explanatory Notes to table 13 on page 50.

n.t.=no transaction.

a. As from the second quarter of 1951, figures relate to Pusan.
b. Dec.
c. Apr.
d. 30 Dec.

e. Average of Jan and Mar.
f. Jan.
g. Average of Feb and Mar.
h. Feb.
i. Average of Apr and Jun.
j. Average of May and Jun.

- g. Average of Feb and Mar. h. Feb.
- j. Average of May and Jun.

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FINANCE

14. RATES OF INTEREST

Average rates in per cent per annum

					1951				1	9 5 2			
	1938	1948	1950	1951	п	I	11	Apr	May	Jun	Jul	Aug	Sep
BURMA													
Bank rate	3.00₽	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Call money rate				1.04	1.00	2.00	1.83	2.00	2.00	1.50	1.50	1.50	1.50
Fixed deposit rates	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
AMBODIA, LAOS AND VIET-NAM													
Bank rate	5.00		5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	
CEYLON													
Bank rate				2.50*	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.5
Call money rate				0.50*	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.5
Commercial bank lending rateb	1 1												
maximum		**		5.00*	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.0
minimum		**	**	2.25°	2.25	2.50	2.33	2.50	2.25	2.25	2.25	2.25	2.2
Fixed deposit rate maximum				2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.7
minimum				0.50°	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.75	0.7
Treasury billc				0.48*	0.48	0.40	0.64	0.44	0.66	0.82	0.89	0.92	0.9
Government bond yieldd				2.81	2.75	2.85	2.96	2.96	2.96	2.95	2.96	2.96	2.9
HINA (Taiwan)													
Bank rate			39.60	23.40	23.40	23.40	23.40	23.40	23.40	23.40	23.40		
Call money rate			16.42	10.80	10.80	10.80	10.80	10.80	10.80	10.80	10.80		
Commercial bank lending ratee			81.00	52.20	54.00	54.00	53.52	54.24	55.80	50.40	46.80		
Fixed deposit ratef		* *	40.88	27.00	27.00	27.00	27.00	27.00	27.00	27.00	27.00		
NDIA													
Bank rate	3.00	3.00	3.00	3.08	3.00	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.5
Call money rate		0.50	0.58	1.01	1.00	2.75	2.25	2.88	2.62	1.25	1.62	1.75	1.5
Commercial bank lending rates			2000	0.405	2020	4 000	2000			4 000			
lowest			3.00¶	3.40¶ 6.00¶	3.50§ 6.00§	4.00§ 6.00§	4.00§ 6.00§			4.00§ 6.00§		* * *	
highest		1.35	1.59	2.08	2.13	2.71	2.61	2.97	2.65	2.22	2.41	2.82	
Government bond yieldi		1.00	3.11	3.39	3.23	3.73	3.64	3.69	3.63	3.61	3.72	3.75	3.5
NDONESIA													
Government bond yield ratej .			3.50	4.28	4.24	4.32	4.24	4.27	4.22	4.24	4.10	3.94	4.
			0.00	-	2122	2.02		2.07	*****			0.01	-
APAN													
Bank rate Discount	3.29	4.56	5.11	5.29	5.11	5.84	5.84	5.84	5.84	5.84	5.84	5.84	5.
Discount	3.29	4.93	5.48	5.66	5.48	6.21	6.21	6.21	6.21	6.21	6.21	6.21	6.
Call money rate	0.20	4.00	6.40	7.12	7.12	7.97	7.97	8.03	7.85	8.03	8.03	8.21	8.
Commercial bank lending ratekm		1					1						1
Y.3 million and under			9.13*	9.13	9.13	9.13	9.13	9.13	9.13	9.13	9.13	9.13	9.
above Y.3 million			8.76°	8.76	8.76	8.76	8.76	8.76	8.76	8.76	8.76	8.76	8.
Fixed deposit ratem		4.30	4.70	5.47	5.27	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.
Government bond yieldn				5.50	-	5.50	5.50	_	_	5.50	_		5.
AKISTAN													
Bank rate	3.00q	3.00°	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.
Call money rate			0.99	0.94	1.06	2.14	1.96	2.00	2.00	1.88	1.91	1.92	2.
Fixed deposit rate	* *	1.25*	1.25	1.25	1.25	0.00	2.00	2.00	2.00	2.00	2.00	2.00	2.0
Government bond yieldp			2.96	2.98	2.98	2.98	2.98	2.98	2.98	2.98	2.98	2.97	2.5
THAILAND													
Treasury bill	***	1.32	2.02	2.10	2.10	2.18	2.17	2.17	2.17	2.17	2.15	2.15	2.

GENERAL NOTES: All rates are those prevailing in the capital city of each country except in India where rates in Bombay have been taken. Bank rate relates to the rate charged by Central Bank on loans and/or discounts given to commercial banks. In Burma it relates to the discount rate on commercial bills; in Ceylon to interest rate on advances; in India to the rate at which the Reserve Bank of India is prepared to buy or rediscount bills of exchange or other eligible commercial papers; in Japan to the rediscount rate on commercial bills and the official interest rate of Bank of Japan for loans secured against Government Bonds and eligible corporate debentures; in Pakistan to the discount rate: in China (Taiwan) it relates to the rate charged by the Bank of Taiwan for overdrafts. Call money rate relates to rate relates to on overdrafts. Call money rate relates to inter-bank rate on money at call. Fixed deposit rate relates to rate paid by commercial banks on deposits of 12 months duration.

Post office saying accounts.

- a. Post office saving accounts. b. Against government securities.
- Weighted average of tender rates on new bills issued within the period. d. Yield of 3 per cent national development loan 1965-70 calculated to earliest redemption date.
- e. Overdraft secured loans of other banks except Bank of Taiwan.

- f. Period unknown.
- g. Advances against government and trustee securities by the major scheduled banks.
- 6 months deposits.
 Yield of 3 per cent paper (running yield) to earliest redemption
- j. Yield to maturity of 3 per cent bonds of 1938/75 on the Amsterdam Exchange, fully guaranteed by the Netherlands Government.
 k. Loans on or discounts of bills preferentially treated by Bank of Japan.
- m. Maximum money rates under the Temporary Money Rates Adjustment Law.
- ment Law. Weighted yield (simple rate of interest) to latest redemption date of medium dated government bonds issued during the period stated. Figure for 1951 relates to average of 4 months Sep-Dec; the figures shown for first and second quarter of 1952 relate to Jan and Jun respectively.
- Yield to maturity of 3 per cent bonds of 1968.
- q. Rate of the Reserve Bank of India which was the central banks at the time.

15. CURRENCY AND BANKING

FINANCE

					1951				1	952			
	1948	1949	1950	1951	II	1	п	Apr	May	Jun	Jul	Aug	Sep
BURMA (Mn K.)													
Money supply	505§ 335§ 169§	610 405 205	596 388 208	650 431 219	694 470 224	722 500 222	739 497 242	745 513 232	734 492 242	739 486 253	732 467 264	700 448 858	428
Commercial banks Total deposits Assets: Cash Short term: Government Other	199° 72° 26 67	233 109 8 60	246 69 23 100	260 53 25 153	265 54 23 151	265 50 16 194	284 75 16 166	273 69 13 172	283 72 16 169	294 83 18 156	310 77 18 168	299 73 20 146	29: 6: 2: 13:
Long term: Government .	-	-	7	8	8	9	9	9	9	9		9	
Union Bank of Burma Deposits: Total Governments	108° 3§ 102 358§	149 2§ 46 505§	226 63 141 504	379 59 274 696	304 38 229 669	350 67 240 749	418 65 290 792	379 48 271 780	420 29 325 795	453 118 273 799	486 340 806	521 402 824	561 428 870
Local assets Short term: Government . Other	6°	20	18	16	17	16	16	16	16	16	15	12	10
Long term: Government Bank clearings Business and individuals Government	10° 151 106 46	10 128 100 28	13 138 112 26	13 151 128 23	13 150 126 24	10 171 144 28	10 186 159 27	10 160 133 27	10 198 167 32	10 201 178 23	214 184 30	10 183 158 25	199 163 34
CAMBODIA, LAOS & VIET-NAM													
Money supply Notes: Total issued	3,497§	3,843§	4,523	5,762	5,543								
Commercial banks Total deposits Assets: Short term	1,126	1,284 600	1,616 707	2,178 724	2,173 626	2,517 1,082	3,090 1,198	3,241 1,186	3,268 1,186	2,762 1,222	2,967 1,306	2,958 1,306	:
CEYLON (Mn Rs.)													
Money supply	607§ 241§ 366§	649§ 244§ 406§	746 271 475	1,012 361 651	358 672	998 368 629	949 364 584	978 364 613	946 366 580	923 363 560	916 362 554	916 362 554	910 332 548
Commercial banks Total deposits Assets: Cash Short term	641k 269k 127k	687 284 137	660 151 205	809 209 270	856 217 277	782 192 264	737 197 278	773 190 272	732 215 276	707 187 286	709 152 284	713 150 283	743 183 276
Long term	193k	230	187	218	216	224	225	225	225	224	250	251	25
Deposit: Total			189 20 533	250 54 660	250 46 660	221 45 633	179 8 553	172 7 566	191 6 571	173 12 522	146 15 530	128 4 503	170
Local assets Short term: Government .			14	14	14	16	32	29	24	43	_	_	7:
Long term: Government . Bank clearings	396	461	549	692	692	686	680	13 661	28 730	650	41 752	50 623	72
CHINA: Taiwan (Mn NT\$)													
Money supply	**	199° 124° 75°	474 249 225	965 396 569	992 394 535	1,196 518 677	1,226 552 673	1,201 522 680	1,236 563 673	1,241 573 668	1,231 567 665	1,252 569 713	
Other banks ^c Total deposits Assets: Cash ^d		38° 122°	85 31	228 92	181 64	404 164	594 321	515 237	618 351	649 375	698 376	725 419	
Total loans		27*	57	121	108	203	246	240	238	261	297	309	
Bank of Taiwan Deposits: Total		122° 76°	431 354	733 588	655 556	981 766	1,652 811	1,131	1,857 782	1,969	1,990	2,100 832	
Local assets: Total loans Government loans	**	264° 234° 83°	847 797 138	520 447	441 367	781 692 706	847 582 809	881 791	809 750	850 786 834	837 774	918 864	
Bank clearings		63	136	418	336	/06	903	813	781	034	763	822	
HONG KONG (Mn HKS) Money supply Notes: Total issued Bank clearings	778 689	840 917	803 1,199	805 1,506	806 1,534	799 1,291	798 1,104	798 1,114	798 1,210	799 989	798 1,214	798 1,152	79:

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15. CURRENCY AND BANKING (Cont'd)

					1951					1 9 5 2			
	1948	1949	1950	1951	п	1	п	Apr	Мау	Jun	Jul	Aug	Sep
INDIA (1000 Mn Rs.)													
Money supply	21.65 13.58 8.07	19.44 12.38 7.06	19.28 12.49 6.79	19.83 13.04 6.79	20.74 13.82 6.93	18.91 12.47 6.44	18.71 12.41 6.30	18.90 12.51 6.39	18.73 12.41 6.32	18.50 12.30 6.20	18.32 12.04 6.28	18.09 11.83 6.26	17.97 11.92 6.05
Scheduled banks Total deposits	9.90 1.28	8.85 1.04	8.71 0.98	8.71 0.99	8.75 0.93	8.61 0.78	8.54 0.82	8.49	8.53 0.81	8.59 0.86	8.73 0.95	8.72 1.00	8.62 0.95
Short term	4.33 4.65j	4.47 3.74	4.40 3.73	5.31 3.33	5.61 3.20	5.88 3.18	5.57 3.18	5.77 3.15	5.55 3.18	5.40 3.22	5.18 3.23	4.97 3.27	4.88
Reserve Bank of India Deposits: Total	4.29	3.10	2.94	3.27	3.03	3.22	2.43	2.61	2.34	2.35	2.34	2.64	2.69
Government	2.57	1.75 8.95	8.68	1.96 8.76	9.11	7.84	7.30	7.40	7.28	7.23	7.13	7.19	7.30
Banking Department	3.44	1.87 7.08	2.08	2.00	1.83 7.28	1.44 6.40	0.94 6.36	0.97 6.43	0.85 6.43	1.00 6.23	1.20 5.93	1.42 5.78	1.52 5.78
Short term: Government .	0.01	0.03	0.02	0.05	0.07	0.05	0.01	0.01	0.01	0.01	0.03	0.03	0.03
Long term: Total	0.09	5.00	0.10 5.21	0.16 5.83	6.02	0.50 5.69	0.40 5.41	5.41	0.34 5.42	0.34 5.39	5.52	0.11 5.53	0.10 5.49
Banking Department	0.75	1.00	0.76	0.95	0.90	1.02	0.76	0.76	0.77	0.74	0.87	0.88	0.88
Issuing Department	2.08 5.55	4.00 5.27	4.45 5.25	4.88 6.56	5.12 7.00	6.59	4.65 5.58	4.65 5.89	4.65 5.75	4.65 5.11	6.03	4.65 5.04	4.61 5.27
INDONESIA (Mn Rp.) Money supply	2,828\$	3.3108	3,467¶	4,810	4.825	5,195	5,995	5,864	5.902	6,220			
Currency: Net active	1,463§ 1,365§	1,747 1,563 §	2,081¶ 1,386¶	3,006 1,806	3,008	3,330 1,865	3,770 2,288	3,554 2,309	3,647 2,255	3,918			
Bank of Java Deposits: Total	902k 502k	729k 531k	997k 725k	903 1,743	894 1,684	1,066 2,761	1,678 3,441	1,662 3,332	1,720 3,513	1,654 3,478	1,840 3,230	1,985 3,732	1,698 2,370
Local assets: Short term: Government Others	916§	972 70	2,007 138	1,957 420	2,035 395	1,855 611	2,318	1,927 216	2,177	2,849 251	3,428 377	3,959 537	3,291 685
JAPAN													
Money supply	572 338§ 234	690 294° 396	809 315 494	1,063 397 665	1,047 385 662	1,198 431 767	1,237 427 810	1,222 433 789	1,224 417 807	1,264 431 833	1,270 427 843	1,303 438 865	1,389 426 963
All banks except Bank of Japan Total deposits Assets: Cash	326	614 23§	893 22	1,274	1,238	1,565	1,723	1,676	1,732	1,761	1,784	1,850	2,008
Short term	248 68	497 115	826 117	1,248 155	1,160 150	1,545 180	1,648 197	1,611	1,644 196	1,690 201	1,735 205	1,799 212	1,851 215
Deposits: Total	30 10	57 35	57 38	143 119	177 155	96 71	89 55	72 47	103 61	93 57	109 60	123 79	111
Local assets: Short term: Government Others	69 55	94 78	78 123	44 180	43 152	39 221	38 224	38	38 210	38 252	38 275	38 286	38 298
Long term: Government . Bank clearings	154 236	182 549	144	118	127	93	148	151	154 1,475	139	136 1,587	132 1,572	106
KOREA, south (1000 Mn W.)													-,,,,
Money supply	43.0 31.2¶ 11.8	68.4 47.3¶ 21.1	178.6 146.7¶ 23.9	500.2 971.3¶ 95.7	456.0 401.8 54.2	700.7 577.4 123.4	755.5 606.2 149.3	720.6 589.0 131.6	742.8 597.6 145.2	803.2 632.1 171.0	934.8 548.7 186.1	917.0 705.5 211.5	
All Banks Total deposits	32.9	56.9	56.7m	122.2	91.8	242.2	316.1	285.2	311.0	352.0	370.1	399.4	
Assets: Cash	8.3	15.4	6.2m		28.7	38.7	71.3	60.3	78.6	75.0	89.2	81.5	,
Long term: Government .	28.4	45.6	79.7m 3.6m	3.2	80.6 2.0	218.5 6.6	268.9	240.5 7.1	265.6 8.0	300.4 8.1	350.4 9.4	412.3 11.5	:
Others Bank of Korea Deposits: Totale	1.6	1.9	1.3m	4.9	3.7	8.4	9.5	8.9	9.7	9.8	11.2	13.3	
Government		7.9	201.3° 186.2° 58.5°	385.7 300.6 98.5	295.0 227.7 66.1	655.1 476.1 227.4	730.8 566.5 202.3	739.5 567.3 207.0	714.0 557.1 209.4	738.8 575.1 190.6	779.6 569.9 193.4	860.8 596.7 165.1	
Short term: Government .			209.0*	367.1	364.8	385.4	434.8	439.0	441.7	443.7	446.8	456.9	,
Others	8.2	13.4	28.8° 49.4°	234.4 103.1	174.6 66.1	505.9 258.7	610.8 321.3	570.2 253.5	611.5 312.4	650.7 387.9	695.9 410.1	744.1 477.1	:
Long term: Government . Bank clearings	20.6	39.9	3.3° 40.8	4.0 239.8	4.3 149.9	1.1 630.7	0.9 1,003.6	0.9 914.6	0.9 1,053.8	0.9 1,042.4	0.9	3.9 1,356.9	
MALAYA (Mn M\$) Money supply	557	000	1 202	1 710	1 700	1.004	1 004			1 204			
Money supply Currency: Net active! Deposit money All Banks	894 296¶ 598§	304¶ 576§	1,293 406¶ 887§	1,718 629¶ 1,089	1,722 624§ 1,098	1,694 635§ 1,059	1.604 618§ 986	1,030	980	1,564 618 946	943	939	94
Total deposits	678§	684§ 91§	1,041§	1,265	1,272	1,246	1,223	1,226 157	1,238	1,206	1,208	1,206	1,21
Short term	339§ 127§	393§	574§ 137§	677 146 4,167	684 141 4,254	713 158 3,713	499 160 3,248	528 161 3,463	484 161 3,379	485 158 2,902	493 157 3,683	494 128 3,191	470 130 3,22

XUM

					1951				1	952			
	1948	1949	1950	1951	П	1	11	Apr	May	Jun	Jul	Aug	Sep
PAKISTAN (Mn Rs.)													
Money supply	2,386° 1,333° 1,053°	2,741 1,741 1,000	2,848 1,794 1,055	3,347 2,162 1,184	3,237 2,091 1,146	3,717 2,454 1,263	3.477 2,274 1,203	3,577 2,336 1,241	3,467 2,249 1,218	3,388 2,238 1,150	3,320 2,101 1,219	3,154 2,052 1,102	3,198 2,038 1,159
Scheduled banks Total deposits Assets: Cash	1,092° 220°	1,071 204	1,180 149	1,393 200	1,380 192	1,480 158	1,422 151	1,454 150	1,417	1,396 160	1,410 153	1,367	1,402 189
Short term	322°	1,015	792	706 969	1,023	917	701	779	730	780 594	782 552	743 495	757
Government	912*	794	604 344	758 582	819 637	674	548	624	577	444	393	353	229
Issuing Department Local assets:	1,204°	1,618	1,278	1,380	1,337	1,610	1,426	1,527	1,427	1,325	1,190	1,073	992
Short term: Government . Others Long term:	117*	111	103 37	82 52	85 13	101 155	150	99 162	96 156	133	106	48 89	104
Banking Department	32° 25° 326°	178 97 334	269 469 460	232 689 551	258 669 470	265 732 628	371 699 481	430 665 548	393 665 496	291 766 400	346 752 553	310 809	900
PHILIPPINES (Mn P.)													
Money supply	1,145§ 571§ 574§	978§ 565§ 414§	1,148§ 669§ 479§	1,119 659 460	1,181 688 493	1,038 619 419	1,025 591 434	1,034 601 433	1,019 591 428	1,022 582 440	1,034 571 462	1,020 578 442	1,030 582 468
Commercial banks Total deposits Assets: Cash	870§ 313	818 203	827 209	834 156	860 166	811 122	839 123	841 130	835 116	840 124	864 131	845 132	B63 154
Short term		563 84	536 62	606 70	581 75	733 49	695 55	712 55	698 55	674 55	**		::
Deposits: Total	400	144 607	164 482	212 539	193 563	245 486	251 490	251 493	249 487	253 491	470	473	500
Short term: Others	381	30 20 443	63 130 462	40 210 457	29 211 452	50 240 491	25 235 497	29 235 485	24 235 523	21 235 484	* *		**
Debits to checking account .	772	723	674	733	727	732	724	723	742	706	1,223	1,019	
THAILAND (Mn baht)													
Money supply	3,117§ 2,205§ 912§	3,671 2,610 1,061	3,671 2,610 1,061	4,920 3,532 1,388		3,949		3,802	3,755	3,621			**
Commercial banks Total deposits	786 369	829 330	867 274	1,144	1,117	1,235	1,270 425	1,250	1,291	1,271			
Short term: Government . Others	49 357	25 521	601	17 697	14 683	14 843	14 846	13 857	17 869	12 812			
Long term Government . Others	102	101 I	96 2	98	92	100	97	92	102	97			
Bank of Thailand Deposits: Total Government Foreign assets: Total	717 338 2,180§	1,166 444 2,758	1,447 455 3,208	1,725 427 4,135	1,730 449 4,101	1,786 356 4,665	1,970 363 4,481	1,873 329 4,524	2,017 407 4,459	2,020 353 4,460	4,363	4,432	4,458
Local assets: Short term: Government Others													
Long term: Banking Department Bank clearings Debits to sight deposit	774	1,112 1,447§	1,544 1,973	2,057 2,786	1,931 2,546	2,515 3,185	2,164 2,823	2,187 2,763	2,328	1,976 2,774		-:-	

GENERAL NOTES: All figures, excepting bank clearings, relate to end of month figures and their averages; bank clearings relate to monthly totals and their averages. Net Active Currency: Total currency outstanding less holdings in all banks including the central bank and in government treasuries. Currency in circulation: Total currency outstanding less holdings in all banks including the central bank. Deposit money: Deposits in all banks (including central bank) withdrawable by cheques but excluding inter-bank liabilities and central government deposits. Cash of commercial banks: Cash and balances with central bank. Short term assets: Short term assets: Securities, bonds, debentures, etc. Bank clearings: Total value of cheques and other collection items cleared through clearing houses.

a. Deposits of central government includes ECA counterpart fund.

b. Includes foreign assets of the Burma Currency Board. The assets and liabilities of the Board were taken over by the Union Bank of Burma in Jul 1982.

Includes the Land Bank, Cooperative Treasury and three commercial banks.

Balance with Bank of Taiwan only.

Figures for 1948 exclude treasury deposits, government deposits in foreign currency and special deposits for counterpart fund.

Figures include British Borneo.

h. Cash in hand only.

Figures relate in 1948 and 1949 for 3 clearing houses in principal towns and as from 1950 for clearing houses in 4 towns; the clearings in the 3 towns being Rs. 362 and Rs. 461 million in 1950 and 1951.

Average of Sep-Dec.

k. Mar.

Mar.

REVISED EXPLANATORY NOTE TO TABLE 13

Commodity description and market centres for quotations

COUNTRY	CENTRE	DESCRIPTION	COUNTRY	CENTRE	DESCRIPTION
RICE Burma China (Taiwan)	Rangoon Taipei	Nagasien, 2nd Bazaar quality.	HEMP Philippines	Manila	
India Indonesia Japan	Calcutta Djakarta	B. Grade. Manufactured, quality B.B. Price to producers for brown rice, including straw bags; from 1947, government fixed price, exclud-	COIR Ceylon India	Cochin	Fibre mattress at buyers' stores. Yarn, real Alapart.
Korea Pakistan Thailand Viet-Nam	Seoul & Pusan Dacca Bangkok Saigon	ing shipping charges, early delivery and quota bonuses, but including production bonuses. Cleaned, 1st grade. Medium. White, 35 per cent broken. Milled, white No. 1 (25 per cent	SILK, RAW India Japan Korea	Malda Tokyo Seoul & Pusan	2400 Tana Kamru. 21 D. AA, Domestic. 28 Denier.
VHEAT		broken).	WOOL, RAW India Pakistan	Kalimpong Karachi	Tibetan. Sind white.
India Korea Pakistan	Hapur Seoul & Pusan Karachi	Ordinary. Free market, first grade. Fair average quality.	HIDES China (Taiwan) India	Taipei Calcutta	Cow. Cow salted, raw.
UGAR China (Taiwan) India Indonesia	Taipei Kanpur Djakarta	White, medium. D. 28. White.	Pakistan Thailand U. S. A.	Karachi Bangkok Chicago	Cow, 2.25. lbs. Cow, dried. Packers, green salted, steer heavy native, f.o.b.
Korea Pakistan Philippines Thailand	Seoul & Pusan Karachi Manila Bangkok	Refined. Refined. White, No. 1.	RUBBER, NATURAL Ceylon Indonesia	Colombo Djakarta	Contract quality R.S.S. No. 1. R.M.A.I. f.o.b. including regular but
EPPER Cambodia Malaya Thailand	Phnom-Penh Singapore Bangkok	White. Muntok, white. White.	Malaya Thailand Viet-Nam U. K. U. S. A.	Singapore Bangkok Saigon London New York	not "extra" export duties. R.S.S. No. 1 f.o.b. in bales. Mixed quality of four grades. R.S.S. No. 1 f.o.b. R.S.S. R.S.S.
EA Ceylon China (Taiwan) India	Colombo Taipei Calcutta	Medium grown. Pouchong, medium. Clean, common pekoe, with export rights.	COAL China (Taiwan) India	Taipei Calcutta	Medium. Selected.
Indonesia Pakistan U. K. U. S. A.	Djakarta Karachi New York	B.O.P. Leaf, orange pekoe. Unit value of imports c.i.f. Black, standard grade. Ex. ware	Korea Viet-Nam TIN	Seoul Saigon	Lignite, Pusan—anthracite. Coal (pieces 15/28 or 15/35).
OBACCO China (Taiwan)		house.	Malaya Thailand U. K.	Singapore Bangkok London	Metallic tin. exworks. Tin metal 99 per cent. Refined tin 99.75/99.90 per cent for 1948-49, thereafter standard cash
India Pakistan Philippines	Taipei Calcutta Dacca Manila	Leaf, Poolah. Motihari. Leaf.	U. S. A.	New York	Prompt Grade A 99.8 per cent of higher.
VEGETABLE OIL AND OILSEEDS Ceylon	Colombo	Coconut white oil, naked wharf delivery.	PIG IRON India Japan	Calcutta Tokyo	Foundry No. 1. Pig iron 2nd grade for casting fo 1948-49, thereafter pig iron No
China (Taiwan) India Indonesia Malaya	Taipei Bombay Djakarta	Peanut oil. Groundnut oil. Palm oil, export price f.o.b.	Korea	Seoul & Pusan	2 for casting. Ingot.
Pakistan Philippines	Singapore Chittagong Manila	Coconut oil, f.o.b. Mustard oil, Ghani. Coconut oil.	China (Taiwan) India Japan Korea	Taipei Calcutta Tokyo Seoul & Pusan	Medium. Swastika F.W.L. 16 tc 23. Portland, common, domestic.
Ceylon India	Colombo Cochin	Estate No. 1 Fair average quality for 1948-1950; 1951 onwards selected.	Pakistan Viet-Nam	Karachi Saigon	Dalmia. Tonkin "Dragon".
Indonesia Malaya Philippines Thailand U. S. A.	Makassar Singapore Manila Bangkok	Sun-dried A. Sun-dried No. 1 Resecada. Dried. Bulk c.i.f. Pacific ports.	COTTON YARN China (Taiwan) India Japan Viet-Nam	Taipei Bangalore Tokyo Saigon	20 s. 20 s. 20 s. single, checse, domestic. Unbleached No. 20 Optorg.
COTTON, RAW China (Taiwan) India	Taipel Bombay	Medium. Jarilla spot, M.G.F.G. from 1948 to 1949. Bengal fine M.G. sub- stituted from January 1950.	COTTON FABRICS India Japan	Bombay Tokyo	Grey standard shirting. Shirting grey S/No. 2003, 3 8
Korea Pakistan U. K.	Seoul & Pusan Karachi	Second grade. 4 F (Punjab) R.G. American middling.	JUTE BAGS		export.
JUTE, RAW India Pakistan U. K.	Calcutta Narayangunj	Firsts.	India Pakistan	Calcutta Karachi	B. Twills. B. Twills.
U. S. A.	Daisee New York	2/8 c. & f. through June 1951. Mill first c. & f. Dundee, there- after. Raw native first.	JUTE HESSIANS India U. K. U. S. A.	Calcutta Dundee New York	10½ oz 40" 10½ oz 40" 10 oz 40"

TRADE AGREEMENTS NEGOTIATED AND/OR FINALIZED DURING THE SECOND HALF OF 1952

I. ECAFE INTRA-REGIONAL TRADE AGREEMENTS

Contracting parties	Period valid	Value of trade and types of commodities	Method of trade and payment	Remarks
Ceylon— China— (Mainland)	5 years	Under the agreement, Ceylon will sell to China 50,000 tons of sheet rubber annually for 5 years at a price varying by grades and subject to yearly revision. China will sell to Ceylon 250,000 tons of rice annually at \$56 a ton, a price which is said to be considerably lower than the world market rate.	Barter.	Signed on 17 December 1952; pre- viously a temporary agreement was signed on 5 October 1952 to provide urgently needed food grains in Ceylon.
Ceylon— Japan	One year	Total value of trade not specified in either direction. Japan undertakes to export iron and steel products, machinery, cement, textiles, chemical, sewing machines, electrical goods, ceramics etc. in exchange for Ceylon's tea, rubber, coconut products, coir goods, graphite, cocos, essential oil and oil seed.	Payment to be made under the terms of Japan's overall sterling payments agreement with the British Commonwealth. Balanced trade under licence.	Signed at Colombo on 6 September 1952.
China (Main- land)—India	Unspecified	The Chinese People's Republic will ship to India 50,000 tons of rice.	Payment to be made in cash either in Indian rupee or in transferable pound sterling account.	This bulk purchase contract, signed in Peking on 13 October 1952, is the fifth food agreement between these two countries.
China (Taiwan)— Japan	Unspecified	Japan will ship 130,000 tons of fertilizer, metal, machinery and beans in exchange for Taiwan's sugar, banana and other agricultural products, the total trade be- ing fixed at \$75 million.		Negotiation at final stage.
Indo nesia— Japan	1 July 1952— 30 June 1953	Japan will export \$55 million worth of textile goods, metals and metal product in exchange for Indonesian crude rubber, bauxite, tin, petroleum, etc. to the value of \$40 million.	Settlement on open account in terms of dollars with a swing balance of \$5 million to be paid in cash.	The current outstanding balance is \$50 million in favour of Japan, the settlement of which constitutes a major issue for further trading, \$54 million in favour of Japan will be paid in dollars by instalments over a period of 8 years, and the remaining \$6 million will be deposited in a special dollar account in Java bank, for which the method of payment will be determined 5 years bence. The present agreement was signed on 7 August 1952 and became retroactively effective from 1 July 1952.
Indonesia— Thailand	Unspecified	Thailand will export to Indonesia 90,000 tons of rice.	Cash payment in pound sterling.	Fifty percent of the rice will be transported by Thai ships.
Japan— Burma	Unspecified	An extension of 16 March 1950 agreement (see Bulletin Vol. 1 No. 1, First Quarter 1950)	Same as 1950 agreement.	This extension shall be effective un- til conclusion of any other trade agreement.
Japan—Korea (south)	Until conclusion of a new agreement	See Bulletin Vol. 1 No. 2, Second Quarter 1950.	Payments same as previous agreement, in dollars.	
Japan— Philippines	120 days be- ginning 30 September 1952	The pattern of trade follows the previous agreement. (see Bulletin Vol. 1, No 2, Second Quarter 1950)	Same as 1950 agreement.	
Japan— Thailand	1-31 August 1952	Extension of the old agreement (see Bulletin Vol. 1, No. 1, first quarter 1950). The pattern of trade and range of commolities are the same as in the previous agreement.	Balanced trade under licence based on dollar open account. The agreement was extended for one month, with the exchange rate set at 18.20 baht per dollar.	The signing of the agreement is delayed over the question of Thailand's rice allocation to Japan and Thailand's requirement that Japan should also buy annually 150,000 tons of Thai sait at the price per ton of \$2-3 higher thau sait from other sources.
Japan— Thailand	1 September 1952 to 31 August 1953	The new agreement, effective upon signing, is similar in most respects to old agreements, although the trade value has been increased by \$2 million over the previous figuure of \$10 million. Japan exports mainly textiles, machinery, construction steel, paper, metal products, rubber goods, enamelled iron ware, agricultural and marine products, chemicals and glassware, in exchange for Thailand's rice, soya bean, castor bean, cotton and kapok seeds, peanuts, hides, animalgue materials, teak, gum dammar, sticklae, shellae, salt, bonemeal, antimony ore and other mineral ore, and raw materials.	The new agreement provides an exchange of goods on the basis of dollar account, with any balance above the stipulated amount to be payable in dollars on demand of the creditor party. However, whereas the previous payment agreements provided for fixed exchange rates, trade between the two countries will now be conducted at a rate to be set every half-month, taking into account as far as possible the trend of the free market rate of dollars in Bangkok. Trade will be conducted under leence with a view to affecting balance at the end of the agreement.	Signed on 1 September 1952.

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TRADE AGREEMENTS NEGOTIATED AND/OR FINALIZED DURING THE SECOND HALF OF 1952—(Cont'd)

II. ECAFE COUNTRIES—EXTRA-REGIONAL COUNTRIES

Contracting parties	Period valid	Value of trade and types of commodities	Method of trade and payment	Remarks
China (main- land)— Czecho- slovakia	Probably one year	See Bullstin, Volume II, No. 3 1951. Com- codities to be exchanged follow the same pattern as in the 1951 agreement.		Extension of the 1951 agreement. Signed on 15 July 1952 at Peking.
China (main- land)— Finland— USSR	Through 1952	The agreement stipulates that within 1952 commodities valued at 34 million roubles in each case should be supplied to Finland by the Soviet Union, to China by Finland and to the Soviet Union by China. Types of commodities were not specified.		
China (main- land)— France	Probably one year	China exports to France £1 million worth of commodities consisting of silk and textiles, tea, casings, egg products, tung oil etc.France exports to China iron, steel and other metal products, chemicals, medicines and miscellaneous items.	Payment in pound sterling.	Non-governmental agreement. Signed on 9 August, 1952 at Peking.
China (main- land)— Poland	One year	China will export metal ore silver ore, textile materials, leather, grains, to-bacco leaves, peanuts, tea and other agricultural commodities in exchange for Poland's metal products, tools, machinery, chemical products, paper and other manufactures.		Non-governmental agreement. Sign- ed on 11 July in Warsaw, as the result of negotiations carried out by trade delegations at the Mos- cow Conference.
China (main- land)— United Kingdom	One year	£10 million worth of commodities to be exchanged under this agreement. United Kingdom will export £3.5 million worth of textiles consisting of the following: wool tops, £1.7 million, raw wool £0.3 million, cotton piecegoods £0.9 million, wool and worsted piecegoods £0.3 million, rayon yarn £0.3 million; and chemicaal £1.3 million, pharmaceuticals £1.15 million, pharmaceuticals soybeans, bristles, wood oil, frozen eggs, oil seeds, oil cakes, animal products and other agricultural products and		Signed on 9 June at the Moscow Conference.
China (Main- land)—West Germany	Probably one year	A total value of 150 million roubles worth of commodities will be exchanged between China and West Germany. China will supply mineral ore, soyabean, fur, leather, bristle, cotton and cotton waste, vegetable oil, animal fats, in exchange for West Germany's chemicals, synthetics, metals, paper, spare parts for machinery, medicine and textiles.	Balanced trade under licence. Payments based upon rouble.	
India— Argentine	Five years	Under the agreement, Indian jute goods would be exchanged for the equivalent value of Argentine wheat. Shipment of Indian jute goods to Argentine was already reported, but shipment of Argentine wheat is not to begin until the new crop is harvested in January 1953.	Barter. Issuance of licences.	Last year India shipped 600,000 tons of jute goods to Argentine and received in exchange 450,000 tons of wheat. The agreement was signed on 23 October in Buenos Aires.
India— Finland	Retroactive to 1 Janu- ary and effective to 31 Decem- ber 1954	India will export tobacco, vegetable and essential oils, nuts, spices and certain chemical products, certain textiles, carpets, linoleum, rubber goods, sugar, soap, hides, wool, leather, iron ore and miscellaneous raw materials, in exchange for Finland's cheese, potasium chrolide, wood and wood products, newsprint and paper products, porcelain ware, steel files, certain machinery and electrical cables.	licences.	Signed in New Delhi on 2 September 1952.
India— Norway	Retroactive to 1 Janu- ary until 31 Decem- ber 1953	India will export tobacco, spices, jute goods, tea, coffee, shellac, coir and products, vegetable and essential oil, fish oil, cotton waste, drugs, medicines, chemicals, fibres, manganese ore, textiles, carpets, rubber goods, sugar, hides and skins, wool, iron ore, bones, linoleum, cigarettes and spirits, etc. in exchange for Norway's newsprint, calcium carbide, wood pulp, welding equipment, certain machinery and machine tools, products for tannery and textile industries, resins, certain chemicals and other miscellaneous items.	licences. The Government of Norway will extend to India import licence concessions granted to member nations of OEEC and each country will accord to the other the same treatment as is given other countries of the same currency group.	ber 1952. Norwegian companies and individuals will also be en- couraged to place their technica experience at the disposal of the Indian Government and interested
Indonesia— Australia	Negotiation stage.	The old agreement, valid for one year expiring on 1 October 1952, calls for export of goods from Australia to Indonesia up to A.f.5 million and for export of goods from Indonesia to Australia to the value of A.f.6.5 million. Attempts are understood to have been made for expansion of trade during negotiation.		

TRADE AGREEMENTS NEGOTIATED AND/OR FINALIZED DURING THE SECOND HALF OF 1952-(Cont'd)

II. ECAFE COUNTRIES-EXTRA-REGIONAL COUNTRIES-Continued.

Contracting parties	Period valid	Value of trade and types of commodities	Method of trade and payment	Remarks
Indonesia— Finland	1 April 1952- 31 March 1953	Total value of each way trade was fixed at £2.6 million. The range of com- modities will probably follow the same pattern of the old agreement which ex- pired on 11 April 1952.	Issuance of licence. Payment for any balance to be made through the good offices of the Netherlands Government within the framework of E.P.U.	Signed on 17 June 1952, in Helsin- ki Finland. See Bulletin, Vol. II, No. 3, 1951.
Indonesia— Hungary	One year	Total value of each way trade was fixed at 22 million Dutch guilders. Indonesia will export coffee, oil, tin, rubber, cocoa, hides, quinine, etc. in exchange for Hungary's industrial and agricultural machinery, bicycles, textiles, chemical goods and wheat flour.	Issuance of licence. Contrary to the pre- vious trade agreement, trade will be conducted on direct open accounts, not through the Netherlands Government and the E.P.U.	Signed in Djakarta on 16 October 1952. For the time being Rotter- dam will be used as port of trans- shipment.
Indonesia— Switzerland	One year. May be extended for a further period by mutual agreement.	The volume of trade will be determined according to circumstances. No price, but quantity is specified. Indonesia will export rubber, tobacco, spices, tea, coffee, palm oil, tin and tapioca in exchange for Switzerland's industrial machinery, printing press, telephone installations, chemical products and medical instruments. The agreement also provides for the possibility of exchanging other goods not mentioned in the schedule.		Signed on 27 September in Djakar- ta but effective on 1 October 1952.
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TRADE AGREEMENTS NEGOTIATED AND/OR FINALIZED DURING THE SECOND HALF OF 1952 (Cont'd)

Contracting parties	Period valid	Value of trade and types of commodities	Method of trade and payment	Remarks
Japan—Brazil	1 July 1952 to 30 June 1953	Japan will export \$33.5 million worth of iron and steel products, non-ferrous metals, chemicals, textiles, machinery, ships and agricultural and aquatic products in exchange for Brazil's raw cotton, rice, hides and skins, coffee, soybeans, raw wool and vegetable oils, to the value of \$35.6 million.	Trade will be conducted on a dollar open account basis. Any balance above the stipulated amount is to be paid in dollars on demand of the creditor party.	Signed on 12 September 1982. The present agreement is to be automatically extended for another year, unless advance notice of termination be given by either of the contracting parties.
Japan—Italy	Negotiations at final stage.	The final draft agreement for an annual exchange of \$35 million worth of goods in each direction calls upon Italy to supply annually 150,000 tons of rice in exchange for Japan's iron and steel products.	Open account on a dollar basis.	
Pakistan— Czecho- slovakia	1 July 1952— 30 June 1953	Pakistan will export 80,000 bales of raw jute, 28,000 bales of cotton, £5,000 sports goods, and an unspecified quantity of chrome ore in exchange for a complete textile plant from Czechoslovakia, which has a sufficient number of looms to go into production within two years' time. In addition, Pakistan will import the following: tractors, accessories and spare parts £70,000, tanning and processing machinery £4,000 motor-cars £60,000, motor-cycles including motor-rickshaws £15,000, rifles and ammunition excluding single-barrel shotguns £30,000, abbestos crement corrugated sheets £250,000, matches £430,000, enamel ware including bath tubs £50,000, sheet and plate glass £50,000, glass and glass ware including bath tubs £50,000, sheet and plate glass £50,000, glass and £30,000, artificial silk piecegoods £20,000, woollen fabrics £30,000. cotton fabrics exceeding Rs.1/8 per yard c.i.f.) £110, 110, 100, cotton fabrics (not exceeding Hs.1/8 per yard c.i.f.) £250,000, and 20,000 tons of sugar. The schedule "B" com-		Signed on 28 June 1952 but effective on 1 July 1952.
Pakistan— France	1 January— 31 Decem- ber 1952	prises a total of 111 items. Pakistan will export 105,000 tons of jute and 275,000 bales of raw cotton, as well as hides and skins, cotton seeds and raw wool, in exchange for France's export of 5,000 tons of pig iron, 40,000 tons of iron and steel products, and unspecified quantities of agricultural and industrial machinery. A thermal electric power nlant costing £1 million will also be imported from France.	Issuance of licences. Payment in pound sterling.	See Bulletin, Volume III, No. 1 and 2, 1982.
Pakistan— Hungary	1 July 1952— 30 June 1953	Pakistan will export jute, cotton, skins, tea, surgical instruments and sports goods, in exchange for Hungary's cotton cloth, machinery and other items.	Balanced trade. Issuance of licences. Payment in pound sterling. See Bulletin, Volume II, No. 1, 1951.	
Pakistan— Poland	1 January 1952—30 June 1953	Pakistan will export raw jute, cotton, tea, hides and skins and sports goods in ex- change for Poland's coal, textiles, chemi- cals, cement, sugar and other metal- lurgical goods.	Balanced trade. Issuance of licences. Payment in pound sterling.	Signed on 27 June 1952.
Pakistan— Spain	Up to 30 June 1952	Pakistan will export 30,000 tons of cotton, 2,000 tons of cotton seeds, 750 tons of hides, 5,000 tons of raw jute, etc. in exchange for exports from Spain including: cotton fabrics (containing more than 90 per cent cotton) £1.5 million c.i.f. value; woollen fabrics (containing more than 90 per cent of wool) £83,000; textiles, machinery and parts thereof, with knitting machinery and sewing machines and clothing cards, £1 million: machinery for building industry and for road construction and public works and agricultural machinery etc. £70,000; industrial machinery £80,000.	Balanced trade. Issuance of licences. Payment in pound sterling.	Extension of previous agreement which expired on 21 January 1952. See Bulletin, Volume II, No. 1, 1951.
Pakistan— USSR	Unspecified	The value of goods to be exchanged is approximately £6 million. Pakistan will export 22,000 tons of jute and 13,150 tons of cotton in exchange for 150,000 tons of wheat from the Soviet Union. The shipment of wheat will start immediately and final delivery will be completed by 31 December 1952. Jute and cotton will be loaded on Soviet ships on their return voyage.	Barter.	This agreement, signed on 16 Sep- tember 1952, is the first barter deal between the two countries.